

HEALTH PROFESSIONS REAUTHORIZATION ACT OF 1988

SEPTEMBER 26, 1988.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Human
Resources, submitted the following

REPORT

[To accompany S. 2229]

[Including cost estimate of the Congressional Budget Office]

The Committee on Labor and Human Resources, to which was referred the bill (S. 2229) to amend the Public Health Service Act to reauthorize programs concerning health research and teaching facilities, and training of professional health personnel under title VII of such Act, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

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I. SUMMARY OF THE BILL

As reported by the Committee, S. 2229 revises and extends authorizes under title VIII of the Public Health Service [PHS] Act for programs to train professional health personnel. Title I of the bill extends and amends existing authorities to provide student assistance for health professions training. Title II of the bill amends and extends existing authorities for grants to improve the quality of

schools of public health. Title III of the bill amends grant and contract authorities for programs and projects in primary care training and related areas. Title IV of the bill authorizes support for programs for training of personnel in health administration and in allied health. Title V of the bill authorizes funding through FY 1991 for the Council on Graduate Medical Education. Title VI of the bill includes miscellaneous provisions.

TITLE I—STUDENT ASSISTANCE

The bill amends the authorities for the Health Education Assistance Loan [HEAL] program and the Health Professions Student Loan [HPSL] program to extend them for three years, through FY 1991. The bill also expands both the HEAL and HPSL programs to make them available to students in allied health professions at the baccalaureate level. It also makes the HPSL program available to doctoral students in chiropractic or in clinical psychology. Title I of the bill authorizes grants to schools of public health to provide traineeships in public health. Title I also extends the authority for scholarships for students of exceptional financial need at an increased authorization level and removes the restriction of that program to first-year students only. The exceptional financial need scholarship program is also made available to students at chiropractic schools.

TITLE II—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

Title II of the bill extends through FY 1991 the authority for capitation grants for schools of public health.

TITLE III—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

Title III of the bill extends for three years the program of project grants for establishment of Departments of Family Medicine. It also extends the authority for the Area Health Education Centers [AHECs] program, directing current AHECs to train personnel to offer maternal and child health services in underserved areas. Priority for such projects will be given to programs which train personnel to provide services in States along the Mexican border, in frontier areas, and in other areas in which the rate of infant mortality and low birthweight are disproportionately high. Title III extends for 3 years both the authority for grants for training, traineeships, and fellowships in general internal medicine and general pediatrics, and the authority for grants and contracts for family medicine and general dentistry residencies. Title III also extends and expands the program of grants and contracts for educational assistance for individuals from disadvantaged backgrounds, which is designed to facilitate the increase in the enrollment of disadvantaged students in health professions schools. It also authorizes a new program of supplemental grants to health professions schools that graduate students from disadvantaged backgrounds. Grants will be used by such schools to provide financial aid services for disadvantaged students and retention services for such individuals. Title III also extends and expands the programs of special projects for 2-year schools of medicine, faculty and curriculum development and

clinical training sites, training in preventive medicine, and programs for physician assistants. It establishes a new separate authority for grants and contracts for geriatric education centers and geriatric training formerly authorized under the special projects authority.

TITLE IV—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

Title IV of the bill amends and extends for three years the authority for grants and traineeships for graduate programs in health administration, hospital administration, and health planning. Title IV also amends the authority for allied health professions training project grants and contracts which has not been authorized for appropriations since FY 1980 and extends the newly-expanded authority through FY 1991. It also authorizes a new program of grants and contracts to support allied health student traineeships and a program of traineeships for advanced training of allied health personnel. Title IV of the bill authorizes the establishment of a reporting system to collect, compile, and analyze data on allied health professions personnel. It establishes a Council on Allied Health Education to provide advice and make recommendations to the Secretary and to Congress on issues related to allied health personnel.

TITLE V—GRADUATE MEDICAL EDUCATION

Title V of the bill extends the authority of the Council on Graduate Medical Education for 3 years, through FY 1991.

TITLE IV—MISCELLANEOUS

Title IV of the bill amends the authority for Obligated Service in the National Health Service Corps to include clinical psychology with other health professions covered under this authority. Title IV also requires the Secretary to collect, compile, and report assessments from each State and territory on health manpower shortages. Title IV also includes a provision to permit individuals who have received HEAL loans with fixed interest rates in excess of 12 percent per year to refinance such loans.

II. BACKGROUND AND NEED FOR THE LEGISLATION

Title IV of the PHS Act provides Federal support for health professions education in the fields of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, chiropractic, pharmacy, public health, and graduate programs in health administration. Title VII provides two forms of assistance—institutional support to health professions schools in the form of grants and contracts for special training programs; and student assistance in the form of loans, loan guarantees, and scholarships for students enrolled in these schools.

The Health Professions Educational Assistance Act of 1963, Public law 88-129, authorized a 3-year program for medical school construction and a loan program for students in schools of medicine, dentistry, and osteopathy. This initial enactment of direct Federal support for health professions education was in response to

studies and reports that the Nation faced critical shortages of health manpower. The purpose of the 1963 enactment and subsequent legislation was to increase enrollments at the various health professions schools and to assure the financial viability of such schools.

In the decade following the original 1963 enactment, Congress expanded the program by broadening support for both institutions and for students. First, it expanded the number of programs and schools eligible for support. It established construction grant programs; formula grant programs based on the number of students enrolled (later to be known as capitation grants); and a broad range of special project grant programs to encourage schools to undertake certain activities such as primary care training, curriculum development, and programs for disadvantaged students. Eligibility was expanded to include other health professions schools in addition to the original schools of medicine, osteopathy, and dentistry.

Congress also expanded the availability of student assistance programs through scholarship and loan programs, as well as the National Health Service Corps scholarship program, under which students would receive scholarship assistance in return for an obligation to practice in a health manpower shortage area.

In the mid-1970s, when studies began to indicate that the aggregate supply of health professions would be sufficient to supply the Nation's needs for the near future, the focus of support for health professions education under Title VII began to change. Instead of focusing on increasing the supply of health professionals, legislation amending the program aimed at improving quality and addressing problems associated with the specialty and geographic maldistribution of health professionals. Many rural and inner-city areas lacked health personnel. In addition, there were thought to be too many surgeons, neurologists, radiologists, and other specialists, and not enough primary care physicians. With the 1976 amendments to Title VII, Congress began to refocus institutional assistance on special projects that would encourage health care personnel to practice in medically underserved areas and would increase the number of primary care practitioners. Congress also began in 1976 to limit financial assistance for students, phasing out health professions scholarships and replacing them with a more limited scholarship program for first-year students of exceptional financial need. The Health Professions Student Loan [HPSL] program, with its subsidized interest rates, was limited and supplemented with a new Health Education Assistance Loan [HEAL] program, providing Federal guarantees for loans obtained at prevailing interest rates in the private loan market.

Subsequent amendments to Title VII continued to narrow the focus of this program to special training programs designed to address problems of health personnel geographic and specialty maldistribution, while ending support for programs designed simply to increase graduates from schools where supply was expected to be adequate. The 1981 amendments, for instance, repealed the authority for capitation grants for all health professions schools except for schools of public health. The most recent amendment to Title VII, Public Law 99-129, enacted in 1985, extended funding authority for

existing programs which address problems associated with improving geographic and specialty maldistribution.

Since the 1980 report of the Graduate Medical Education National Advisory Committee [GMENAC], which projected a surplus of 150,000 physicians by the year 2000, the Administration has proposed substantial reductions in Federal support for training of health personnel. Congress, while not disputing the GMENAC report and succeeding analyses of health manpower needs, has disagreed with the conclusion that they justify the abandonment of Federal efforts to develop more appropriate geographic and specialty mix of health care providers, and has continued to support these programs. For example, the Congress has not for many years supported general subsidies to train physicians and other health personnel, but has supported targeted programs where there continues to be demonstrated need. Examples of demonstrated need for which the Congress has continued to support assistance include shortages in such disciplines as family medicine, public health, and preventive medicine. In addition, it has remained clear to the Congress that minorities, who are a target population for Federal aid, are underrepresented in most health professions.

Others do dispute the GMENAC projections of physician surpluses by 2000. A study by Dr. William B. Schwartz, of Tufts University, published in the April 7, 1988, issue of the *New England Journal of Medicine* contends that there will be a shortage of physicians, not a surplus, by the turn of the century. The study predicts substantial increases in the demand for physician services and expresses concern about the possibility of insufficient numbers of physicians employed in patient care.

The congressionally mandated Council on Graduate Medical Education [COGME], in its July 1, 1988, report, concluded that there is or soon will be an aggregate oversupply of physicians in the United States. The Council noted significant uncertainties which could change this assessment, and found conflicting evidence as to whether an oversupply of physicians would necessarily lead to socially undesirable consequences. The COGME report found geographic maldistribution of physicians, with too few physicians in many rural and inner-city areas. It found that minorities are still underrepresented in the physician manpower pool in the United States, and concluded that it is "highly desirable" to increase minority representation in the medical profession for two reasons: (1) to ensure that minorities have equal access to a career in medicine; and (2) to achieve equity in health care services. COGME concluded also that there is evidence of an undersupply of certain primary care physicians together with an oversupply of some non-primary care specialists. It noted in particular an undersupply of physicians in family practice and an impending undersupply of general internal medicine physicians. The Council recommended that medical school graduates should be strongly encouraged to enter training in primary care, particularly in family practice and general internal medicine, and added that the areas of geriatrics and preventive medicine should also be emphasized.

Health manpower statistics published by DHHS in 1986 indicate that there are over 501,000 physicians in the United States, an 11.1-percent increase since 1980, more than a three-fold increase

over population growth during the same period. The same statistics also show, however, that about 14 million persons, or 6 percent of the population, reside in health manpower shortage areas and remain underserved.

Congress has provided support for programs under Title VII to improve the maldistribution of primary care specialists, such as general practitioners [GPs], family practitioners [FPs], internists, and pediatricians. These programs include support for the establishment and operation of primary care departments and residency training programs, as well as financial assistance for trainees in these programs. Such support was perceived to be essential to the continued supply of practitioners in these specialties. Compared to other specialty training programs, primary care programs produce less revenue for the school from patient care services and research grants, making it difficult to finance the costs of such training. Concern has also been expressed about the need to sustain the interest of medical students in primary care careers. With tuition levels at medical schools rising and medical students increasingly assuming larger debts at higher rates for their education, it has been suggested that such students will decide against careers in primary care specialties, which are generally the lowest paid specialties in the profession. (According to the annual report on physician earnings published in the Sept. 7, 1987, issue of *Medical Economics* magazine, the three specialist groups lowest in net earnings in 1986 were GPs, pediatricians, and FPs with annual net earnings of \$72,840; \$84,340; and \$86,430 respectively. The specialists listed as top earners are neurosurgeons at \$203,570, orthopedic surgeons at \$182,640, and plastic surgeons at \$180,210.)¹ For these various reasons, special subsidies for primary care and related training programs under Title VII have continued to receive congressional support.

Congress has also rejected Administration proposals in recent years to eliminate funding for Title VII programs which are intended to address problems associated with geographic maldistribution of health professionals. Such programs as the AHECs program and the physicians assistant training program provide incentives for health professions schools to establish and operate training programs which might ultimately increase the number of health personnel practicing in medically underserved areas. The AHEC program, in part, established training opportunities for students in underserved areas that are geographically removed from the main site of the school. In addition, support for primary care training plays an important role in geographic distribution of physicians. Studies have indicated that primary care specialists, especially general and family practitioners, tend to establish their practices in medically underserved areas more often than other specialists. Thus, increasing the Nation's supply of primary care physicians is one way of improving access to health care in previously unserved or underserved areas.

The Disadvantaged Assistance program identifies and recruits minority and economically disadvantaged students to pursue

¹ These issues will be difficult to fully address without also revising physician reimbursement policies.

health careers and facilitates their entry into health professions schools. The Administration has testified that this program is no longer necessary because the activities supported by the program have been assumed by State governments, colleges, and health professions schools. In addition, the Administration cites the availability of student loan programs as evidence that the Disadvantaged Assistance program is no longer needed. Congress has rejected this view and continued to support the program. Similarly, Congress has continued to support the Exceptional Financial Need [EFN] scholarship program which provides scholarship assistance to first-year health professions students. Those opposed to cutbacks in these programs have suggested that with students having to rely on high-interest loans to finance their education, the prospects of high levels of debt will deter many low-income and economically disadvantaged students from seeking careers in health professions. Such observers also point out that it is unlikely that health professions schools will be able to increase the percentage of their enrollments represented by minorities if students are required to assume large debts to finance their education. The proportions of minorities enrolled in medical schools have remained at nearly constant levels since the mid-1970s. The high cost of medical school education and the shrinking availability of financial aid may be critical factors constraining the size of the minority applicant pool.

Allied Health Professions

During the mid-1960s, the United States experienced alarming shortages of allied health personnel. Advances in medical technology, and sharp increases in population led to estimates that this country was experiencing a shortage of professional, technical, and vocational workers in the health care field that numbered in the hundreds of thousands.

The 89th Congress responded to concerns about the need for increased numbers of allied health personnel with the enactment in 1966 of the Allied Health Professions Training Act, P.L. 89-751, which provided support to centers for the allied health professions and other entities for: construction of teaching facilities; improvement of education programs; advanced traineeships for the preparation of teachers, supervisors, administrators, and other allied health professionals; and special project grants for a variety of other activities in this area.

Succeeding amendments to the 1965 allied health personnel legislation extended the authority for these training programs under title VII through FY 1980. During those years, the increasing availability of State and local support for allied health personnel training and the availability of Federal student support through the Department of Education made the training authorities under title VII less significant. After FY 1980, the authority was not extended further and the programs received no more Federal funding.

In recent years, however, it has become clear that the Nation is entering what may be the most severe shortage of allied health personnel ever. Hospitals and other health care facilities are facing worsening shortages of all types of allied health professionals, such as laboratory technicians, physical and occupational therapists, medical technologists, and medical records technicians. The surge

in demand for allied health care personnel began in 1987, and can be attributed to such factors as the development and availability of new technology, as well as increases in the numbers of the heaviest users of health care, particularly the elderly, the chronically ill, and patients with AIDS. Shortages in allied health personnel affect all areas of the country but are most critical in rural areas.

A 1987 survey conducted by the American Medical Association's Division of Allied Health Education and Accreditation found that enrollments had declined in most training programs for allied health professions. The worst declines were in programs to train laboratory technicians, medical technologists, nuclear medicine technologists, and respiratory technicians. The survey found that the allied health field is dominated by women, with three female students for every one male. As more career opportunities open up for women, allied health profession jobs, as with nursing, become less attractive to women. As critical as the allied health professions are in providing health care services, they are seen in many areas as dead-end careers, with little chance for advancement. The growing shortages in these positions will require a significant effort by the health care industry in recruitment, training, and support.

III. TEXT OF THE BILL AS REPORTED

[S. 2229, 100TH CONG., 2D SESS.]

A BILL To amend the Public Health Service Act to reauthorize programs concerning health research and teaching facilities, and training of professional health personnel under title VII of such Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE; TABLE OF CONTENTS.]

[(a) SHORT TITLE.—This Act may be cited as the "Health Professions Reauthorization Act of 1988".

[(b) TABLE OF CONTENTS.—The table of contents is as follows:

- [Sec. 1. Short title; table of contents.
- [Sec. 2. References to the Public Health Service Act.

[TITLE I—STUDENT ASSISTANCE

- [Sec. 101. Allied health professionals.
- [Sec. 102. Scope and duration of Federal loan insurance program.
- [Sec. 103. Eligibility of student borrowers and terms of Federally insured loans.
- [Sec. 104. Default of borrower under Federal loan insurance program.
- [Sec. 105. Schools of allied health.
- [Sec. 106. Loan agreements.
- [Sec. 107. Loan provisions.
- [Sec. 108. Authorization of appropriations.
- [Sec. 109. Distribution of assets from loan funds.
- [Sec. 110. Traineeships.
- [Sec. 111. Health professions scholarships.

[TITLE II—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

- [Sec. 201. Capitation grants for schools of public health.
- [Sec. 202. Eligibility for capitation grants.
- [Sec. 203. Application for capitation grants.

[TITLE III—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

- [Sec. 301. Project grants for establishment of departments of family medicine.
- [Sec. 302. Area health education centers.
- [Sec. 303. Grants for training, traineeships, and fellowships in general internal medicine and general pediatrics.
- [Sec. 304. Family medicine and general practice of dentistry.
- [Sec. 305. Educational assistance to individuals from disadvantaged backgrounds.
- [Sec. 306. Special projects; geriatric education and training.
- [Sec. 307. Grants for minority education.
- [Sec. 308. Advanced financial distress assistance.

[TITLE IV—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

- [Sec. 401.** Grants and traineeships for graduate programs.
- [Sec. 402.** Statistics and annual report.
- [Sec. 403.** Allied health project grants and contracts.
- [Sec. 404.** Allied health student traineeship.
- [Sec. 405.** Traineeships for advanced training of allied health personnel.

[SEC. 2. REFERENCES TO THE PUBLIC HEALTH SERVICE ACT.

[Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 292a et seq.).

[TITLE I—STUDENT ASSISTANCE

[SEC. 101. ALLIED HEALTH PROFESSIONALS.

[Section 701(13)(C) (42 U.S.C. 292a(13)(C)) is amended by inserting “, or a degree in social work or an equivalent degree” before the period.

[SEC. 102. SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM.

[Subsection (a) of section 728 (42 U.S.C. 294a(a)) is amended to read as follows:

[“(a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 737) to borrowers covered by Federal loan insurance under this subpart shall not exceed \$325,000,000 for fiscal year 1989; \$375,000,000 for fiscal year 1990; and \$450,000,000 for fiscal year 1991. If the total amount of new loans made and installments paid pursuant to lines of credit in any fiscal year is less than the ceiling established for such year, the difference between the loans made and installments paid and the ceiling shall be carried over to the next fiscal year and added to the ceiling applicable to that fiscal year. Thereafter, Federal loan insurance pursuant to this subpart may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program or to obtain a loan under section 731(a)(1)(B) to pay interest on such prior loans; but no insurance may be granted for any loan made or installment paid after September 30, 1994, and for the next fiscal year. The total principal amount of Federal loan insurance available in each fiscal year shall be granted by the Secretary without regard to any apportionment or other similar limitation.”.

[SEC. 103. ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED LOANS.

[Section 731(a)(2)(D) (42 U.S.C. 294d(a)(2)(D)) is amended by inserting “not more frequently than” before “semiannually”.

[SEC. 104. DEFAULT OF BORROWER UNDER FEDERAL LOAN INSURANCE PROGRAM.

[(a) **IN GENERAL.**—Section 733 (42 U.S.C. 294f) is amended—

[(1) in subsection (b), by adding at the end thereof the following new sentence: “The Secretary may sell without recourse to eligible lenders (or other entities that the Secretary determines are capable of dealing in such loans) notes or other

evidence of loans received through assignment under the first sentence.”;

[(2) in subsection (g), by inserting “any chapter of” before “title 11,”; and

[(3) by adding at the end thereof the following new subsection:

[(“h) A State statute of limitations shall not bar an action by an insurance beneficiary against a borrower if such action is commenced within 6 years of the date of default (excluding any period for which the statute of limitations is tolled).”.

[(b) **EFFECTIVE DATE.**—The amendment made by subsection (a)(3) shall apply only to actions commenced under title 11 after the date of enactment of this Act.

[SEC. 105. SCHOOL OF ALLIED HEALTH.

[Section 737 (42 U.S.C. 294j) is amended by striking out paragraph (4).

[SEC. 106. LOAN AGREEMENTS.

[(a) **IN GENERAL.**—Section 740 (42 U.S.C. 294m) is amended—

[(1) in subsection (a), by inserting before the period at the end thereof the following: “, or with any public or nonprofit private institution that has a graduate program in clinical psychology or allied health and that is located in a State”;

[(2) in subsection (b)(4)—

[(A) by striking out “or” before “doctor of veterinary medicine”; and

[(B) by inserting before the semicolon at the end thereof the following: “, or a doctoral degree in clinical psychology”;

[(3) in subsection (c)(1), by inserting “, or by graduate programs in clinical psychology,” after “veterinary medicine”; and

[(4) in subsection (c)(3)(C), by inserting before the semicolon a comma and “or at a graduate program in clinical psychology”.

[(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall become effective with respect to loans made on or after the date of the enactment of this Act.

[SEC. 107. LOAN PROVISIONS.

[(a) **IN GENERAL.**—Section 741 (42 U.S.C. 294n) is amended—

[(1) in subsection (b)(1)—

[(A) by striking out “or” before “doctor of veterinary medicine”; and

[(B) by inserting before the comma at the end thereof the following: “, a doctoral degree in clinical psychology, or a bachelor of science in allied health or an equivalent degree”;

[(2) in subsection (c), by inserting after “veterinary medicine,” the following: “or at a graduate program in clinical psychology or allied health,”;

[(3) in subsection (f)—

[(A) in paragraph (1)(A), by inserting before the semicolon at the end thereof the following: “, a doctoral degree

in clinical psychology, or a bachelor of science in allied health or an equivalent degree”;

[(B) in paragraph (1)(B), is amended by inserting before the semicolon at the end thereof the following: “, or at a graduate program in clinical psychology or allied health”; and

[(C) in paragraph (1)(C), by inserting “, or as a full time faculty member not receiving a stipend or fellowship in a health professions school referred to in section 701(4) (as determined by the Secretary)” before the semicolon; and

[(4) in subsection (l), by striking out “or podiatry” each place it appears and inserting in lieu thereof “podiatry, clinical psychology, or allied health”.

[(b) STATUTE OF LIMITATIONS.—Section 741 is amended by adding at the end thereof the following new subsection:

[(“n) A State statute of limitations shall not bar an action by a school against a borrower if such action is commenced within 6 years of the date of default (excluding any period for which the statute of limitations is tolled).”.

[(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply only to actions commenced under section 741 of the Public Health Service Act after the date of enactment of this Act.

[SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

[Section 742 (42 U.S.C. 294o) is amended—

[(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

[(“a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under section 740, there are authorized to be appropriated \$15,000,000 for fiscal year 1989, \$16,000,000 for fiscal year 1990, and \$17,000,000 for fiscal year 1991. Not less than 30 percent of the amounts appropriated in each fiscal year under this section shall be allocated to schools of allied health.”; and

[(2) in subsection (b)(5), by striking out “, to schools which,” through “this subpart”.

[SEC. 109. DISTRIBUTION OF ASSETS FROM LOAN FUNDS.

[Section 743 (42 U.S.C. 294p) is amended—

[(1) in subsection (a)—

[(A) by striking out “September 30, 1991, and not later than December 31, 1991,” and inserting in lieu thereof “September 30, 1994, and not later than December 31, 1994,”; and

[(B) by striking out “September 30, 1991,” and inserting in lieu thereof “September 30, 1994,” in paragraph (1); and

[(2) in subsection (b), by striking out “1991” each place in appears and inserting in lieu thereof “1994”.

[SEC. 110. TRAINEESHIPS.

[Part C of title VII (42 U.S.C. 294 et seq.) is amended by inserting after subpart II, the following new subpart:

["Subpart III—Traineeships

["SEC. 751. PUBLIC HEALTH TRAINEESHIPS.

["(a) GRANTS.—The Secretary may make grants to accredited schools of public health to provide traineeships.

["(b) LIMITATIONS AND REQUIREMENTS.—

["(1) APPLICATION.—No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

["(2) TUITION AND FEES.—Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

["(3) AWARDING TRAINEESHIPS.—In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this section shall go to individuals who—

["(A) have previously received a baccalaureate degree;
or

["(B) are pursuing a course of study in—

["(i) biostatistics or epidemiology;

["(ii) health administration, health planning, or health policy analysis and planning;

["(iii) environmental or occupational health;

["(iv) dietetics and nutrition;

["(v) preventive medicine or dentistry; or

["(vi) maternal and child health.

["(c) AUTHORIZATION OF APPROPRIATIONS.—For payments under grants under subsection (a), there are authorized to be appropriated \$5,000,000 for each of the fiscal years 1989 through 1991."

["SEC. 112. HEALTH PROFESSIONS SCHOLARSHIPS.

["(a) HEADINGS.—

["(1) SUBPART IV.—The heading for subpart IV of part C of title VII is amended to read as follows:

["SUBPART IV—HEALTH PROFESSIONS SCHOLARSHIPS".

["(2) SUBPART V.—Part C of title VII is amended by striking out the heading of subpart V.

["(b) SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED.—Section 758 (42 U.S.C. 294z) is amended—

["(1) in subsection (a), by striking out "and who are in their first year of study at such school";

["(2) in subsection (b)—

["(A) by striking out paragraphs (1) and (6);

[(B) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

[(C) in paragraph (1) (as so redesignated)—

[(i) by striking out "shall consist" and inserting in lieu thereof "may consist of all or part";

[(ii) by striking out "paragraph (4)" in subparagraph (A) and inserting in lieu thereof "paragraph (3)";

[(iii) by inserting "not in excess" before "of \$400" in subparagraph (B); and

[(iv) by striking out "paragraph (5)" in subparagraph (B) and inserting in lieu thereof "paragraph (4)";

[(D) in paragraph (2) (as so redesignated), by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (1)";

[(E) in paragraph (3) (as so redesignated), by striking out "paragraph (2)(A)" and inserting in lieu thereof "paragraph (1)(A)"; and

[(F) in paragraph (4) (as so redesignated)—

[(i) by inserting "maximum allowable" before "monthly stipend"; and

[(ii) by striking out "paragraph (2)(B)" and inserting in lieu thereof "paragraph (1)(B)"; and

[(3) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

["(d) For the purpose of making grants under this section, there is authorized to be appropriated \$20,000,000 for each of the fiscal years 1989 through 1991."]

[TITLE II—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

[SEC. 201. CAPITATION GRANTS FOR SCHOOLS OF PUBLIC HEALTH.

[Section 770 (42 U.S.C. 295f) is amended—

[(1) in subsection (a)(2), by striking out "September 30, 1986," and inserting in lieu thereof "September 30, 1989,"; and

[(2) by striking out subsection (e) and inserting in lieu thereof the following new subsections:

["(e) An applicant school shall expend in carrying out its functions as a school of public health during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

["(f) For payments under this section, there are authorized to be appropriated \$5,000,000 for fiscal year 1989, \$6,000,000 for fiscal year 1990, and \$7,000,000 for fiscal year 1991."]

[SEC. 202. ELIGIBILITY FOR CAPITATION GRANTS.

[Section 771 (42 U.S.C. 295f-1) is repealed.

[SEC. 203. APPLICATION FOR CAPITATION GRANTS.

[Section 772 (42 U.S.C. 295f-2) is amended by striking out subsection (e).

[TITLE III—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

[SEC. 301. PROJECT GRANTS FOR ESTABLISHMENT OF DEPARTMENTS OF FAMILY MEDICINE.

[Section 780 (42 U.S.C. 295g) is amended—

[(1) in subsection (c), by inserting before the period the following: “, and coordination of curriculum development and student and resident teaching activities with departments of internal medicine and pediatrics where there is a department within the same school”;

[(2) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

[(“d) There are authorized to be appropriated \$7,000,000 for each of the fiscal years 1989 through 1991 for payments for grants under subsection (a).”.

[SEC. 302. AREA HEALTH EDUCATION CENTERS.

[Section 781 (42 U.S.C. 295g-1) is amended—

[(1) in subsection (a)—

[(A) by inserting “(A)” before “The” in paragraph (1);

[(B) by adding at the end of paragraph (1) the following new subparagraph:

[(“B)(i) Under subparagraph (A), the Secretary shall enter into contracts to establish and support area health education center programs that include training of personnel to offer maternal health services and child health services, including oral health screening and treatment, in underserved areas.

[(“ii) In entering into contracts under clause (i), the Secretary shall give priority to programs that will train personnel to provide such services in areas along the border between the United States and Mexico, in frontier areas, and in areas in which the rate of infant mortality and low birthweight are disproportionately higher than such rates for the State in which such an area is located.”;

[(C) by adding “and” at the end of paragraph (2)(B)(i);
and

[(D) by striking out clauses (ii) and (iii) of paragraph (2)(B) and inserting in lieu thereof the following new clause:

[(“ii) projects to increase the number of health care providers in health manpower shortage areas as defined in section 332.”;

[(2) in subsection (c)—

[(A) by inserting before the semicolon in paragraph (1) the following: “, except that a program described in subsection (a)(1)(B) shall only be required to provide for active participation in such program of individuals who are asso-

ciated with the administration of the school and each of the departments (or specialties if the school has no departments) of pediatrics, obstetrics and gynecology, family medicine, and dentistry"; and

[(B) by inserting "except in the case of a program described in subsection (a)(1)(B)," before "provide" in paragraph (2);

[(3) in subsection (d)(2)(C)—

[(A) by inserting "(i) except as provided in clause (ii)," before "provide";

[(B) by inserting "or" after the semicolon; and

[(C) by adding at the end thereof the following new clause:

["(ii) in the case of a program described in subsection (a)(1)(B), provide for or conduct a medical residency program in obstetrics and gynecology in which no fewer than six individuals are enrolled in first year positions in such program;";

[(4) in subsection (d)(2)(F), by striking out "and nurse practitioners" and inserting in lieu thereof ", nurse practitioners, and nurse midwives"; and

[(5) by striking out subsection (g) and inserting in lieu thereof the following new subsection:

["(g) There are authorized to be appropriated to carry out the provisions of this section \$20,000,000 for fiscal year 1989, \$21,000,000 for fiscal year 1990, and \$16,000,000 for fiscal year 1991. The Secretary shall obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2). Of the amounts appropriated under this subsection for fiscal years 1989 through 1991, \$3,000,000 shall be available in each such fiscal year for contracts under subsection (a)(1)(B)."]

[SEC. 303. GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS.]

[Section 784 (42 U.S.C. 295g-4) is amended—

[(1) in subsection (b), by inserting ", and coordination of curriculum development and resident teaching activities with departments of family medicine where there is a department within the same school" before the period; and

[(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

["(c) There are authorized to be appropriated to carry out the provisions of this section \$22,000,000 for fiscal year 1989, \$22,000,000 for fiscal year 1990, and \$22,000,000 for fiscal year 1991."]

[SEC. 304. FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY.]

[Section 786 (42 U.S.C. 295g-6) is amended—

[(1) in subsection (b), by inserting ", or enter into contracts with," after "grants to";

[(2) in subsection (c), by inserting ", and coordination of curriculum development and resident teaching activities with departments of internal medicine and pediatrics where there is a department within the same school, and for residency or in-

ternship programs under paragraph (1) or (3) of subsection (a)" before the period; and

[(3) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

["(d) There are authorized to be appropriated to carry out the provisions of this section \$41,000,000 for each of the fiscal years 1989 through 1991. In making grants and entering into contracts under this section, the Secretary shall obligate not less than 7½ percent of such amounts in each such fiscal year for grants or contracts under subsection (b). If amounts are appropriated in excess of \$38,000,000, for a fiscal year, 15 percent of such excess amounts shall be obligated for grants under subsection (b)."]

[SEC. 305. EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.]

[Section 787 (42 U.S.C. 295g-7) is amended—

[(1) in subsection (a)—

[(A) by striking out subparagraphs (D), (E), and (F) of paragraph (2) and inserting in lieu thereof the following new subparagraphs:

["(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

["(E) paying such stipends to students enrolled in structured summer academic enrichment programs designed to support activities under subparagraphs (B), (C), and (D), as determined by the Secretary."]; and

[(B) by adding at the end thereof the following new paragraph:

["(3) All individuals participating in activities supported by a grant under this subsection must have completed the 10th grade of high school, or the equivalent of such."];

[(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

["(b)(1) Schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, podiatry, and public and nonprofit schools which offer graduate programs in clinical psychology that receive a grant under subsection (a) shall, during a period of 3 years, commencing on the date of the award of the grant, increase their first year enrollments of individuals from disadvantaged backgrounds by at least 20 percent.

["(2) If the increase in such first year enrollment is not attained by the end of the 3-year period, the grant recipient shall be ineligible for any subsequent grant under such subsection until the 20 percent increase in such enrollment is achieved and maintained.

["(3) The requirement for at least a 20 percent increase in such enrollment shall apply only to those schools referred to in paragraph (1) that have a total enrollment of such individuals from disadvantaged backgrounds that is less than 200 percent of the na-

tional average total enrollment of such individuals in all schools of each health professions discipline.

[(4) Determination of both first year and total enrollment of such individuals shall be made by the Secretary under the provisions outlined in section 708." and

[(3) by adding at the end thereof the following new subsection:

[(c) There are authorized to be appropriated for grants and contracts under subsection (a)(1), \$30,000,000 for fiscal year 1989, \$32,000,000 for fiscal year 1990, and \$34,000,000 for fiscal year 1991. Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers. Of the funds appropriated under this section for any fiscal year, not less than 20 percent shall be obligated for stipends under section (a)(2)(E)."

[SEC. 306. SPECIAL PROJECTS; GERIATRIC EDUCATION AND TRAINING.

[(a) SPECIAL PROJECTS.—Section 788 (42 U.S.C. 295g-8) is amended to read as follows:

["SEC. 788. SPECIAL PROJECTS.

[(a) TWO-YEAR SCHOOLS.—

[(1) IN GENERAL.—The Secretary may make grants to maintain and improve schools that provide the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools that were in existence on September 30, 1985, may be used for construction and the purchase of equipment.

[(2) ELIGIBILITY.—To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy and be accredited by or be operated jointly with a school that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.

[(b) FACULTY AND CURRICULUM DEVELOPMENT AND CLINICAL TRAINING SITES.—

[(1) GRANTS AND CONTRACTS.—

[(A) IN GENERAL.—The Secretary may make grants to and enter into contracts with any health professions institution or any other public or private nonprofit entity for the development and implementation of model projects in areas such as faculty and curriculum development, and development of new clinical training sites.

[(B) ALLOCATION OF FUNDS.—Priority shall be given to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, public health, chiropractic, allied health, and to graduate programs at public and nonprofit private schools in health administration and clinical psychology in the allocation of funds under this subsection. Funds shall be allocated to each profession for award within that profession on the basis of competitive

applications. Investigator-initiated projects should be encouraged. Funding priorities may be determined by the Secretary on consultation with the health professions schools and the National Advisory Council on the Health Professions Education.

["(C) PEER REVIEW.—Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

["(2) HEALTH PROFESSIONS INSTITUTIONS AND ALLIED HEALTH INSTITUTIONS.—

["(A) SET-ASIDE.—Of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (e), at least 75 percent shall be obligated for grants to and contracts with health professions institutions and allied health institutions.

["(B) PEER REVIEW.—Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

["(C) PREREQUISITES.—The Secretary may not approve or disapprove an application for a grant to an institution described in subparagraph (A) unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (B) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

["(c) TRAINING IN PREVENTIVE MEDICINE.—

["(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to meet the costs of projects—

["(A) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

["(B) to provide financial assistance to residency trainees enrolled in such programs.

["(2) ADMINISTRATION.—

["(A) AMOUNT.—The amount of any grant under paragraph (1) shall be determined by the Secretary.

["(B) APPLICATION.—No grant may be made under paragraph (1) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

["(C) ELIGIBILITY.—To be eligible for a grant under paragraph (1), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

["(D) OTHER FUNDS.—Schools of medicine, osteopathy, and public health may use funds committed by State, local, or county public health officers or matching amounts for Federal grant funds for residency training programs in preventive medicine.

["(d) PROGRAMS FOR PHYSICIAN ASSISTANTS.—

["(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathy and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(8)).

["(2) APPLICATIONS.—No grant or contract may be made under paragraph (1) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that the school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted, in positions for which they have been trained.

["(e) AUTHORIZATION OF APPROPRIATIONS.—For purposes of carrying out this section, there are authorized to be appropriated \$8,000,000 for each of the fiscal years 1989 through 1991, of which 10 percent of the funds appropriated each fiscal year shall be used to carry out subsection (a). Funds provided to carry out this section shall remain available until expended without regard to any fiscal year limitation."

["(b) GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING.—Part F of title VII (42 U.S.C. 295g et seq.) is amended by adding at the end thereof the following new section:

["SEC. 789. GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING.

["(a) GERIATRIC TRAINING.—

["(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with accredited health professions schools, including schools of allied health, referred to in section 701(4) or 701(10) and programs referred to in section 701(8) to assist in meeting the costs of such schools or programs of providing projects to—

["(A) improve the training of health professionals in geriatrics;

["(B) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

["(C) expand and strengthen instruction in methods of such treatment;

["(D) support the training and retraining of faculty to provide such instruction;

["(E) support continuing education of health professionals and allied health professionals who provide such treatment; and

["(F) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

["(2) APPROVAL OF APPLICATIONS.—

["(A) PEER REVIEW.—Any application for a grant or contract under this subsection shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

["(B) PREREQUISITES.—The Secretary may not approve or disapprove an application for a grant or contract under this subsection unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (A) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

["(b) GERIATRIC MEDICINE TRAINING PROJECTS.—

["(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathy, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including traineeships and fellowships) for geriatric medicine training projects to train physicians and dentists who plan to teach geriatric medicine or geriatric dentistry.

["(2) REQUIREMENTS.—Each project for which a grant or contract is made under this subsection shall—

["(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine;

["(B) be staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

["(C) be based in a graduate medical education program in internal medicine or family medicine, or in a department of geriatrics in existence as of December 1, 1987;

["(D) provide participants in the project with exposure to a diversified population of elderly individuals;

["(E) provide training in geriatrics and exposure to the physical and mental disabilities of elderly individuals through a variety of service rotations, such as geriatric consultation services, acute care services, dental services, geriatric psychiatry units, day and home care programs, rehabilitation services, extended care facilities, geriatric ambulatory care and comprehensive evaluation units, and community care programs for elderly mentally retarded individuals; and

["(F) provide training in geriatrics through one or both of the training options described in subparagraphs (A) and (B) of paragraph (3).

["(3) TRAINING OPTIONS.—The training options referred to in subparagraph (F) of paragraph (2) shall be as follows:

["(A) A 1-year retraining program in geriatrics for—

["(i) physicians who are faculty members in departments of internal medicine, family medicine, gynecology, geriatrics, and psychiatry at schools of medicine and osteopathy; and

["(ii) dentists who are faculty members at schools of dentistry or at hospital departments of dentistry.

["(B) A 1-year or 2-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

["(i) physicians who have completed graduate medical education programs in internal medicine, family medicine, psychiatry, neurology, gynecology, or rehabilitation medicine; and

["(ii) dentists who have completed post-doctoral dental education programs.

["(4) DEFINITIONS.—For purposes of this subsection:

["(A) GRADUATE MEDICAL EDUCATION PROGRAM.—The term 'graduate medical education program' means a program sponsored by a school of medicine, a school of osteopathy, a hospital, or a public or private institution that—

["(i) offers postgraduate medical training in the specialties and subspecialties of medicine; and

["(ii) has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Postdoctoral Training.

["(B) POST-DOCTORAL DENTAL EDUCATION PROGRAM.—The term 'post-doctoral dental education program' means a program sponsored by a school of dentistry, a hospital, or a public or private institution that—

["(i) offers post-doctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

["(ii) has been accredited by the Commission on Dental Accreditation.

["(c) AUTHORIZATION OF APPROPRIATIONS.—

["(1) GERIATRIC TRAINING.—For grants and contracts under subsection (a), there are authorized to be appropriated \$10,000,000 for fiscal year 1989, \$12,000,000 for fiscal year 1990, and \$14,000,000 for fiscal year 1991.

["(2) GERIATRIC MEDICINE TRAINING PROJECTS.—For grants and contracts under subsection (b), there are authorized to be appropriated \$10,000,000 for fiscal year 1989, \$12,000,000 for fiscal year 1990, and \$14,000,000 for fiscal year 1991."

["(c) CONFORMING AMENDMENTS.—Section 783 (42 U.S.C. 295g-3) is repealed.

[SEC. 307. GRANTS FOR MINORITY EDUCATION.

["(a) REORGANIZATION.—Section 788A (42 U.S.C. 295g-8a) is transferred to immediately after section 781 (42 U.S.C. 295g-1) and redesignated as section 782.

["(b) ELIGIBILITY.—Subsection (c) of section 782 (as transferred and redesignated by subsection (a)) is amended to read as follows:

["(c) Only health professions schools shall be eligible for a grant under this section, and to be eligible such schools must—

["(1) be a school described in section 701(4); and

["(2) have received a contract under section 788A for fiscal year 1987."

[SEC. 308. ADVANCED FINANCIAL DISTRESS ASSISTANCE.

[Part F of title VII (42 U.S.C. 295g et seq.) (as amended by section 307(a) of this Act) is amended by redesignating section 788B as section 788A.

**[TITLE IV—PROGRAMS FOR PERSONNEL
IN HEALTH ADMINISTRATION AND IN
ALLIED HEALTH**

[SEC. 401. GRANTS AND TRAINEESHIPS FOR GRADUATE PROGRAMS.

[(a) IN GENERAL.—Section 791 (42 U.S.C. 295h) is amended to read as follows:

["SEC. 791. GRANTS AND TRAINEESHIPS FOR GRADUATE PROGRAMS.

["(a) GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.—

["(1) IN GENERAL.—From funds appropriated under subsection (c)(1), the Secretary shall make annual grants to public or nonprofit private educational entities (including schools of social work and excluding accredited schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, and health planning.

["(2) APPLICATIONS.—

["(A) IN GENERAL.—No grant may be made under paragraph (1) unless an application therefor has been submitted to the Secretary before such time as the Secretary shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation, prescribe.

["(B) REQUIREMENTS.—The Secretary may not approve an application submitted under subparagraph (A) unless—

["(i) such application contains assurances satisfactory to the Secretary that in the school year (as defined in regulations of the Secretary) beginning in the fiscal year for which the applicant receives a grant under paragraph (1) that—

["(I) at least 25 individuals will complete the graduate educational programs of the entity for which such application is submitted, except that in any case in which the number of minority students enrolled in the graduate educational programs of such entity in such school year will exceed an amount equal to 45 percent of the number of all students that will be enrolled in such programs in such school year, such application shall only be required to contain assurances that at least 20 individuals will complete such programs in such school year; and

["(II) such entity shall expend or obligate at least \$100,000 in funds from non-Federal sources to conduct such programs; and

["(ii) the program for which such application was submitted has been accredited for the training of individuals for health administration, hospital administration, or health planning by a recognized body or bodies approved for such purpose by the Secretary of Education and meets such other quality standards as the Secretary shall by regulation prescribe.

["(C) WAIVER.—The Secretary may waive (in whole or in part) the requirements of subclause (II) of subparagraph (B)(i) with respect to any school on written notification by the appropriate accreditation body or bodies that compliance with the assurances required by such subparagraph will prevent such school from meeting the accreditation standards of such body or bodies.

["(D) CONSULTATION.—The Secretary may not approve or disapprove an application submitted under paragraph (1) except after consultation with the National Advisory Council on Health Professions Education.

["(b) TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS.—

["(1) IN GENERAL.—The Secretary may make grants to public or nonprofit private educational entities, including graduate schools of social work but excluding accredited schools of public health, that offer a program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Secretary of Education and that meets such other quality standards as the Secretary by regulation may prescribe, for traineeships to train students enrolled in such a program.

["(2) ADMINISTRATION.—

["(A) APPLICATIONS.—No grant for traineeships may be made under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

["(B) USE.—Traineeships awarded under grants made under paragraph (1) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may consider necessary.

["(C) SET-ASIDE.—In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this subsection shall go to individuals who—

["(i) have previously received a baccalaureate degree; or

["(ii) have 3 years of work experience in health services.

["(c) AUTHORIZATION OF APPROPRIATIONS.—

["(1) GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.—For payments under grants under subsection (a), there are authorized to be appropriated \$1,500,000 for each of the fiscal years 1989 through 1991.

["(2) TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS.—For payments under grants under subsection (b), there are authorized to be appropriated \$500,000 for each of the fiscal years 1989 through 1991.".

[(b) PUBLIC HEALTH PERSONNEL.—Subpart I of part G of title VII (42 U.S.C. 295h et seq.) is amended by repealing sections 791A, 792 and 793 (42 U.S.C. 295h-1a, 295h-1b, and 295h-1c).

[SEC. 402. STATISTICS AND ANNUAL REPORT.

["Subsection (c) of section 794 (42 U.S.C. 295h-2(c)) is amended—

["(1) by striking out "Interstate and Foreign Commerce" and inserting in lieu thereof "Energy and Commerce"; and

["(2) by striking out "Labor and Public Welfare" and inserting in lieu thereof "Labor and Human Resources".

[SEC. 403. ALLIED HEALTH PROJECT GRANTS AND CONTRACTS.

["Section 796 (42 U.S.C. 295h-5) is amended—

["(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

["(a) The Secretary shall make grants to and enter into contracts with eligible entities to assist them in meeting the costs of planning, developing, establishing, operating, and evaluating projects relating to:

["(1) Improving and strengthening the effectiveness of allied health administration, program directors, faculty, and clinical faculty.

["(2) Improving and expanding program enrollments in those professions in greatest demand and whose services most impact the elderly.

["(3) Interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly.

["(4) Demonstration centers to emphasize innovative models to link allied health profession's clinical practice, education, and research.

["(5) Adding and strengthening curriculum units in allied health programs to include knowledge and practice concerning prevention and health promotion, geriatrics, long term care, home health and hospice care, and ethics.

["(6) The recruitment of individuals into allied health professions, including projects for—

["(A) the identification and recruitment of highly qualified individuals, including the provision of educational and work experiences for recruits at the secondary and collegiate levels;

["(B) the identification and recruitment of minority and disadvantaged students, including the provisions of remedial and tutorial services prior and subsequent to admission, the provision of work-study programs for secondary students, and recruitment activities directed toward primary school students; and

["(C) the coordination and improvement of recruitment efforts among official and voluntary agencies and institutions, including official departments of education, at the city, county, and State, or regional level."];

["(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

["(c) For purposes of subsection (a), the term 'eligible entities' means entities which are—

["(1) schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe; or

["(2) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a)."; and

["(3) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

["(d)(1) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated \$4,800,000 for fiscal year 1989; and \$5,000,000 for each of the fiscal years 1990 and 1991.

["(2) In each fiscal year for which funds are authorized to be appropriated under this subsection, all grants made with such funds shall preferentially be awarded to training centers for the allied health professions.

["(3) In each fiscal year for which funds are authorized to be appropriated under this subsection, all such funds appropriated shall be reserved for award to training centers for allied health professions."].

[SEC. 404. ALLIED HEALTH STUDENT TRAINEESHIP.

["(a) GRANTS.—The Secretary may make grants to, and enter into contracts with, public or nonprofit private schools of allied health or other educational entities offering an allied health program to assist students in meeting the costs of entry level education.

["(b) USE OF GRANTS.—Grants awarded under subsection (a) shall be used for tuition, fees, and such stipends and allowances for trainees as the Secretary may consider necessary.

["(c) ELDERLY POPULATION.—In making grants under this section, the Secretary shall ensure that 80 percent of the funds available for such grants shall be used to enable individuals to participate in allied health programs which prepare personnel to meet the rehabilitation needs of the elderly population.

["(d) TAXATION.—Notwithstanding any other provision of law, any payment to, or on behalf of, a participating student of tuition under this section shall be exempt from taxation.

["(e) AUTHORIZATION OF APPROPRIATIONS.—To carry out the purposes of this section, there are authorized to be appropriated \$4,000,000 for fiscal year 1989, and \$5,000,000 for each of the fiscal years 1990 and 1991.

[SEC. 405. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

["Section 797 (42 U.S.C. 295h-6) is amended to read as follows:

["SEC. 797. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

[(a) GRANTS.—The Secretary may make grants to and enter into contracts with public or nonprofit private educational entities to meet the costs of projects designed to—

["(1) plan, develop, establish, expand, and operate doctoral programs for the advanced speciality training of allied health professionals who plan to teach and conduct research in an allied health training program; and

["(2) provide financial assistance in the form of traineeships or fellowships to doctoral students who are participants in any such program and who plan to teach and conduct research in an allied health discipline or to post doctoral students who are continuing specialized study and research in an allied health discipline.

[(b) LIMITATION.—The Secretary shall limit grants and contracts made or entered into under subsection (a) to those allied health fields or specialties as the Secretary shall, from time to time, determine to have—

["(1) the most significant national or regional shortages of practitioners;

["(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; and

["(3) a significant role in the care and rehabilitation of patients and clients who are elderly or disabled.

[(c) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated \$5,000,000 for fiscal year 1989; \$8,500,000 for fiscal year 1990; and \$11,500,000 for fiscal year 1991.

[(d) AWARDING OF GRANTS.—In each fiscal year for which funds are authorized to be appropriated under this section, all grants made with such funds shall preferentially be awarded to training centers for the allied health professions.

[(e) AVAILABILITY OF FUNDS.—Funds appropriated under this section for any fiscal year shall remain available until expended or through fiscal year 1991."

["SEC. 406. ALLIED HEALTH PROFESSIONS DATA.

["Section 798 (42 U.S.C. 295h-7) is amended to read as follows:

["SEC. 798. ALLIED HEALTH PROFESSIONS DATA.

[(a) ESTABLISHMENT OF REPORTING SYSTEM.—The Secretary may make grants, or enter into contracts and cooperative agreements with, and provide technical assistance to, any non-profit entity in order to establish a uniform allied health professions data reporting system to collect, compile, and analyze data on the allied health professions personnel.

[(b) DATA.—Data shall include the most current information concerning the supply, distribution, and utilization of allied health practitioners and faculty, including physical therapy, occupational therapy, respiratory therapy, speech pathology, and audiology, medical records, dietetics, medical technology, and radiological technology.

[(c) REPORTS.—

["(1) ANNUAL REPORT.—Not later than 1 year after the date of enactment of this section, and each year thereafter, the Secretary shall prepare and submit, to the President, the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report of the status and development of the uniform allied health profession data reporting system and of the activities carried out under this section.

["(2) BIENNIAL REPORT.—Not later than 6 months after the date of enactment of this Act, and every 6 months thereafter, the Secretary shall also prepare and submit to the President, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report that shall include a description and analysis of data collected pursuant to this section.

["(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out the purposes of this section there are authorized to be appropriated \$1,200,000 for fiscal year 1989; \$2,000,000 for fiscal year 1990; and \$3,000,000 for fiscal year 1991. Funds appropriated for fiscal year 1989 shall remain available 3 years beyond the date of the last appropriation, and until at least 1991.".]

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Health Professions Reauthorization Act of 1988".

(b) *TABLE OF CONTENTS.*—The table of contents is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. References to the Public Health Service Act.

TITLE I—STUDENT ASSISTANCE

Sec. 101. Definitions.

Sec. 102. Scope and duration of Federal loan insurance program.

Sec. 103. Eligibility of student borrowers and terms of Federally insured loans.

Sec. 104. Default of borrower under Federal loan insurance program.

Sec. 105. Schools of allied health.

Sec. 106. Loan agreements.

Sec. 107. Loan provisions.

Sec. 108. Authorization of appropriations.

Sec. 109. Distribution of assets from loan funds.

Sec. 110. Traineeships.

Sec. 111. Health professions scholarships.

TITLE II—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

Sec. 201. Capitation grants for schools of public health.

Sec. 202. Eligibility for capitation grants.

Sec. 203. Application for capitation grants.

TITLE III—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

Sec. 301. Project grants for establishment of departments of family medicine.

Sec. 302. Area health education centers.

Sec. 303. Grants for training, traineeships, and fellowships in general internal medicine and general pediatrics.

Sec. 304. Family medicine and general practice of dentistry.

Sec. 305. Educational assistance to individuals from disadvantaged backgrounds.

Sec. 306. Special projects; geriatric education and training.

Sec. 307. Grants for minority education.

Sec. 308. Advanced financial distress assistance.

TITLE IV—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

- Sec. 401. Grants and traineeships for graduate programs.
- Sec. 402. Statistics and annual report.
- Sec. 403. Allied health project grants and contracts.
- Sec. 404. Allied health student traineeships.
- Sec. 405. Traineeships for advanced training of allied health personnel.
- Sec. 406. Allied health professions data.
- Sec. 407. Council on Allied Health Education.

TITLE V—GRADUATE MEDICAL EDUCATION

- Sec. 501. Council on Graduate Medical Education.

TITLE VI—MISCELLANEOUS

- Sec. 601. Obligated service.
- Sec. 602. Assessments of health manpower shortages.
- Sec. 603. Reissuance and refinancing agreements authorized.
- Sec. 604. Restriction on appropriations.

SEC. 2. REFERENCES TO THE PUBLIC HEALTH SERVICE ACT.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 292a et seq.).

TITLE I—STUDENT ASSISTANCE

SEC. 101. DEFINITIONS.

(a) **SCHOOLS OF ALLIED HEALTH.**—Section 701(10) (42 U.S.C. 292a(10)) is amended—

(1) by striking out “The term” and inserting in lieu thereof “(A) Except as provided in subparagraph (B), the term”;

(2) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively; and

(3) by adding at the end thereof the following new subparagraph:

“(B) For purposes of loans made under subparts I and II of part C, the term ‘school of allied health’ shall include a program of a hospital that meets the requirements of clauses (i), (iii), and (iv) of subparagraph (A).”

(b) **ALLIED HEALTH PROFESSIONALS.**—Section 701(13)(C) is amended—

(1) by striking out “or” before “a doctoral degree in clinical psychology” and

(2) by inserting before the period the following: “, or a degree in social work or an equivalent degree”.

SEC. 102. SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM.

Section 728(a) (42 U.S.C. 294a(a)) is amended—

(1) in the first sentence—

(A) by striking out “and” after “1987”; and

(B) by inserting before the period the following:
 “; \$325,000,000 for the fiscal year ending September 30, 1989;
 \$375,000,000 for the fiscal year ending September 30, 1990;
 and \$450,000,000 for the fiscal year ending September 30,
 1991”;

(2) in the last sentence, by striking out "1991" and inserting in lieu thereof "1994"; and

(3) by adding at the end thereof the following new sentence: "The total principal amount of Federal loan insurance available in each fiscal year shall be granted by the Secretary without regard to any apportionment or other similar limitation."

SEC. 103. ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED LOANS.

Section 731(a)(2)(D) (42 U.S.C. 294d(a)(2)(D)) is amended by inserting "not more frequently than" before "semiannually".

SEC. 104. DEFAULT OF BORROWER UNDER FEDERAL LOAN INSURANCE PROGRAM.

(a) **IN GENERAL.**—Section 733 (42 U.S.C. 294f) is amended—

(1) in subsection (b), by adding at the end thereof the following new sentence: "The Secretary may sell without recourse to eligible lenders (or other entities that the Secretary determines are capable of dealing in such loans) notes or other evidence of loans received through assignment under the first sentence.";

(2) in subsection (g), by inserting "any chapter of" before "title 11,"; and

(3) by adding at the end thereof the following new subsection:

"(h) A State statute of limitations shall not bar an action by an insurance beneficiary against a borrower if such action is commenced within 6 years of the date of default (excluding any period for which the statute of limitations is tolled)."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a)(3) shall apply only to actions commenced after the date of enactment of this Act.

SEC. 105. SCHOOL OF ALLIED HEALTH.

Section 737(4) (42 U.S.C. 294j(4)) is amended by striking out "masters' degree or a doctoral degree" and inserting in lieu thereof "baccalaureate or higher degree".

SEC. 106. LOAN AGREEMENTS.

(a) **IN GENERAL.**—Section 740 (42 U.S.C. 294m) is amended—

(1) in subsection (a), by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, chiropractic, or allied health, or with any public or nonprofit private institution that has a graduate program in clinical psychology,";

(2) in subsection (b)(4)—

(A) by striking out "or" before "doctor of veterinary medicine"; and

(B) by inserting before the semicolon at the end thereof the following: "; doctor of chiropractic or an equivalent degree, bachelor of science or higher degree in an allied health field, or doctoral degree in clinical psychology";

(3) in subsection (c)(1), by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, chiropractic, or allied health, or by graduate programs in clinical psychology,"; and

(4) in subsection (c)(3)(C), by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, chiro-

practic, or allied health, or at a graduate program in clinical psychology”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall become effective with respect to loans made on or after the date of the enactment of this Act.

SEC. 107. LOAN PROVISIONS.

(a) **IN GENERAL.**—Section 741 (42 U.S.C. 294n) is amended—

(1) in subsection (b)(1)—

(A) by striking out “or” before “doctor of veterinary medicine”; and

(B) by inserting before the comma at the end thereof the following: “, doctor of chiropractic or an equivalent degree, doctoral degree in clinical psychology, or bachelor of science or higher degree in an allied health field”;

(2) in subsection (c), by inserting after “veterinary medicine,” the following: “or chiropractic, at a graduate program in clinical psychology, or at a baccalaureate or higher degree program in allied health,”;

(3) in subsection (f)—

(A) in paragraph (1)(A), by inserting before the semicolon at the end thereof the following: “, degree of doctor of chiropractic or an equivalent degree, doctoral degree in clinical psychology, or baccalaureate or higher degree in allied health”;

(B) in paragraph (1)(B), is amended by striking out “or podiatry” and inserting in lieu thereof “podiatry, or chiropractic, at a graduate program in clinical psychology, or at a baccalaureate or higher degree program in allied health”; and

(C) in paragraph (1)(C), by inserting “, or as a full time faculty member not receiving a stipend or fellowship in a health professions school referred to in section 701(4) (as determined by the Secretary)” before the semicolon; and

(4) in subsection (l), by striking out “or podiatry” each place it appears and inserting in lieu thereof “podiatry, chiropractic, clinical psychology, or allied health”.

(b) **STATUTE OF LIMITATIONS.**—Section 741 is amended by adding at the end thereof the following new subsection:

“(n) A State statute of limitations shall not bar an action by a school against a borrower if such action is commenced within 6 years of the date of default (excluding any period for which the statute of limitations is tolled).”

(c) **EFFECTIVE DATE.**—The amendment made by subsection (b) shall apply only to actions commenced under section 741 of the Public Health Service Act after the date of enactment of this Act.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

Section 742 (42 U.S.C. 294o) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

“(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under section 740, there are authorized to be appropriated \$15,000,000 for fiscal year 1989, \$16,000,000 for fiscal year 1990, and

\$17,000,000 for fiscal year 1991. Not less than 30 percent of the amounts appropriated in each fiscal year under this section shall be allocated to schools of allied health.”; and

(2) in subsection (b)(5), by striking out “, to schools which,” through “this subpart”.

SEC. 109. DISTRIBUTION OF ASSETS FROM LOAN FUNDS.

Section 743 (42 U.S.C. 294p) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking out “September 30, 1991, and not later than December 31, 1991,” and inserting in lieu thereof “September 30, 1994, and not later than December 31, 1994,”; and

(B) in paragraph (1), by striking out “September 30, 1991,” and inserting in lieu thereof “September 30, 1994,”; and

(2) in subsection (b), by striking out “1991” each place in appears and inserting in lieu thereof “1994”.

SEC. 110. TRAINEESHIPS.

Part C of title VII (42 U.S.C. 294 et seq.) is amended by inserting after subpart II the following new subpart:

“Subpart III—Traineeships

“SEC. 751. PUBLIC HEALTH TRAINEESHIPS.

“(a) **GRANTS.**—The Secretary may make grants to accredited schools of public health to provide traineeships.

“(b) **LIMITATIONS AND REQUIREMENTS.**—

“(1) **APPLICATION.**—No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

“(2) **TUITION AND FEES.**—Traineeships awarded under grants made under subsection (a) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

“(3) **AWARDING TRAINEESHIPS.**—In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this section shall go to individuals who—

“(A) have previously received a baccalaureate degree; or

“(B) are pursuing a course of study in—

“(i) biostatistics or epidemiology;

“(ii) health administration, health planning, or health policy analysis and planning;

“(iii) environmental or occupational health;

“(iv) dietetics and nutrition;

- "(v) preventive medicine or dentistry; or
- "(vi) maternal and child health.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—For payments under grants under subsection (a), there are authorized to be appropriated \$5,000,000 for each of the fiscal years 1989 through 1991."

SEC. 111. HEALTH PROFESSIONS SCHOLARSHIPS.

(a) **HEADINGS.**—

(1) **SUBPART IV.**—The heading for subpart IV of part C of title VII is amended to read as follows:

"SUBPART IV—HEALTH PROFESSIONS SCHOLARSHIPS".

(2) **SUBPART V.**—Part C of title VII is amended by striking out the heading of subpart V.

(b) **SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED.**—Section 758 (42 U.S.C. 294z) is amended—

(1) in subsection (a)—

(A) by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, or chiropractic schools"; and

(B) by striking out "and who are in their first year of study at such school";

(2) in subsection (b)—

(A) by striking out paragraphs (1) and (6);

(B) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(C) in paragraph (1) (as so redesignated)—

(i) by striking out "shall consist" and inserting in lieu thereof "may consist of all or part";

(ii) by striking out "paragraph (4)" in subparagraph (A) and inserting in lieu thereof "paragraph (3)";

(iii) by inserting "not in excess" before "of \$400" in subparagraph (B); and

(iv) by striking out "paragraph (5)" in subparagraph (B) and inserting in lieu thereof "paragraph (4)";

(D) in paragraph (2) (as so redesignated), by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (1)";

(E) in paragraph (3) (as so redesignated), by striking out "paragraph (2)(A)" and inserting in lieu thereof "paragraph (1)(A)"; and

(F) in paragraph (4) (as so redesignated)—

(i) by inserting "maximum allowable" before "monthly stipend"; and

(ii) by striking out "paragraph (2)(B)" and inserting in lieu thereof "paragraph (1)(B)"; and

(3) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d) For the purpose of making grants under this section, there is authorized to be appropriated \$30,000,000 for each of the fiscal years 1989 through 1991."

TITLE II—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

SEC. 201. CAPITATION GRANTS FOR SCHOOLS OF PUBLIC HEALTH.

Section 770 (42 U.S.C. 295f) is amended—

(1) in subsection (a)(2), by striking out "September 30, 1986," and inserting in lieu thereof "September 30, 1989,"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following new subsections:

"(e) An applicant school shall expend in carrying out its functions as a school of public health during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources that is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

"(f) For payments under this section, there are authorized to be appropriated \$5,000,000 for fiscal year 1989, \$6,000,000 for fiscal year 1990, and \$7,000,000 for fiscal year 1991."

SEC. 202. ELIGIBILITY FOR CAPITATION GRANTS.

Section 771 (42 U.S.C. 295f-1) is repealed.

SEC. 203. APPLICATION FOR CAPITATION GRANTS.

Section 772 (42 U.S.C. 295f-2) is amended by striking out subsection (e).

TITLE III—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

SEC. 301. PROJECT GRANTS FOR ESTABLISHMENT OF DEPARTMENTS OF FAMILY MEDICINE.

Section 780 (42 U.S.C. 295g) is amended by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d) There are authorized to be appropriated \$7,000,000 for each of the fiscal years 1989 through 1991 for payments for grants under subsection (a)."

SEC. 302. AREA HEALTH EDUCATION CENTERS.

Section 781 (42 U.S.C. 295g-1) is amended—

(1) in subsection (a)—

(A) by inserting "(A)" before "The" in paragraph (1);

(B) by adding at the end of paragraph (1) the following new subparagraph:

"(B)(i) Under subparagraph (A), the Secretary shall enter into contracts to establish and support area health education center programs that include training of personnel to offer maternal health services and child health services, including oral health screening and treatment, in underserved areas.

"(ii) In entering into contracts under this subsection, the Secretary shall give priority to programs that will train personnel to provide such services in areas along the border between the United States

and Mexico, in frontier areas, the Caribbean Basin, the Pacific Basin, and in areas in which the rate of infant mortality and low birthweight are disproportionately higher than such rates for the State in which such an area is located.”;

(C) by inserting “and” at the end of paragraph (2)(B)(i);

(D) by striking out clauses (ii) and (iii) of paragraph (2)(B) and inserting in lieu thereof the following new clause:

“(ii) projects to increase the number of health care providers in health manpower shortage areas as defined in section 332.”; and

(E) by adding at the end of paragraph (2) the following new subparagraph:

“(C) In the case of the requirement that an area health education center be neither a school of medicine or osteopathy, the parent institution of such a school, nor a branch campus or other subunit of a school of medicine or osteopathy or its parent institution, or a consortium of such entities, to be eligible to enter into a contract under this section, the Secretary shall waive such requirement with respect to an area health education center having, at the time of initial application to enter into such contract under this section or a previous authorizing law, an operating program supported by both appropriations of a State legislature and local resources.”;

(2) in subsection (c)—

(A) by inserting before the semicolon in paragraph (1) the following: “, except that a program described in subsection (a)(1)(B) shall only be required to provide for active participation in such program of individuals who are associated with the administration of the school and each of the departments (or specialties if the school has no departments) of pediatrics, obstetrics and gynecology, family medicine, and dentistry”; and

(B) by inserting “except in the case of a program described in subsection (a)(1)(B),” before “provide” in paragraph (2);

(3) in subsection (d)(2)(C)—

(A) by inserting “(i) except as provided in clause (ii),” before “provide”;

(B) by inserting “or” after the semicolon; and

(C) by adding at the end thereof the following new clause:

“(ii) in the case of a program described in subsection (a)(1)(B), provide for or conduct a medical residency program in obstetrics and gynecology in which no fewer than six individuals are enrolled in first year positions in such program.”;

(4) in subsection (d)(2)(F), by striking out “and nurse practitioners” and inserting in lieu thereof “, nurse practitioners, and nurse midwives”;

(5) in subsection (e)(1), by striking out “in the area health education centers” and inserting in lieu thereof “in the development and operation of projects described in subsection (a)”;

(6) by striking out subsection (g) and inserting in lieu thereof the following new subsection:

“(g) There are authorized to be appropriated to carry out the provisions of this section \$22,000,000 for each of the fiscal years 1989

through 1991. The Secretary shall obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2). Of the amounts appropriated under this subsection for fiscal years 1989 through 1991, not less than \$3,000,000 shall be available in each such fiscal year for contracts under subsection (a)(1)(B)."

SEC. 303. GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS.

Section 784 (42 U.S.C. 295g-4) is amended—

(1) in subsection (b), by inserting before the period the following: "; and coordination of curriculum development and resident teaching activities with departments of family medicine where there is a department within the same school"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c) There are authorized to be appropriated to carry out this section \$22,000,000 for each of the fiscal years 1989 through 1991."

SEC. 304. FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY.

Section 786 (42 U.S.C. 295g-6) is amended—

(1) in subsection (b), by inserting "; or enter into contracts with," after "grants to";

(2) in subsection (c), by inserting before the period the following: "; and coordination of curriculum development and resident teaching activities with departments of internal medicine and pediatrics where there is a department within the same school, and for residency or internship programs under paragraph (1) or (2) of subsection (a)"; and

(3) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d)(1) There are authorized to be appropriated to make grants under subsection (a), \$40,000,000 for each of the fiscal years 1989 through 1991.

"(2) There are authorized to be appropriated to make grants under subsection (b), \$10,000,000 for each of the fiscal years 1989 through 1991."

SEC. 305. EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

(a) **IN GENERAL.**—Section 787 (42 U.S.C. 295g-7) is amended—

(1) in subsection (a)—

(A) by striking out subparagraphs (D) and (E) of paragraph (2) and inserting in lieu thereof the following new subparagraphs:

"(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education,

"(E) paying such stipends to students enrolled in structured summer academic enrichment programs designed to support activities under subparagraphs (B), (C), and (D), as determined by the Secretary, and";

(B) by striking out "or dentistry" in subparagraph (F), and inserting in lieu thereof "dentistry, or chiropractic schools"; and

(C) by adding at the end thereof the following new paragraph:

"(3) All individuals participating in activities supported by a grant under this subsection must have completed the 10th grade of high school, or the equivalent of such grade."; and

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsections:

"(b)(1) Schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, podiatry, and public and nonprofit schools that offer graduate programs in clinical psychology that receive a grant under subsection (a) shall, during a period of 3 years commencing on the date of the award of the grant, increase their first year enrollments of individuals from disadvantaged backgrounds by at least 20 percent.

"(2) If the increase in such first year enrollment is not attained by the end of the 3-year period, the grant recipient shall be ineligible for any subsequent grant under such subsection until the 20 percent increase in such enrollment is achieved and maintained.

"(3) The requirement for at least a 20 percent increase in such enrollment shall apply only to those schools referred to in paragraph (1) that have a total enrollment of such individuals from disadvantaged backgrounds that is less than 200 percent of the national average total enrollment of such individuals in all schools of each health professions discipline.

"(4) Determination of both first year and total enrollment of such individuals shall be made by the Secretary in accordance with section 708.

"(c) There are authorized to be appropriated for grants and contracts under subsection (a)(1), \$32,000,000 for fiscal year 1989, \$34,000,000 for fiscal year 1990, and \$36,000,000 for fiscal year 1991. Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers. Of the funds appropriated under this section for any fiscal year, not less than 20 percent shall be obligated for stipends under section (a)(2)(E)."

(b) **RETENTION PROGRAM FOR HEALTH PROFESSIONS SCHOOLS WITH INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.**—Part F of title VII is amended by inserting after section 787 (42 U.S.C. 295g-7) the following new sections:

"SEC. 787A. RETENTION PROGRAM FOR HEALTH PROFESSIONS SCHOOLS WITH INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

"(a) **ESTABLISHMENT.**—The Secretary shall establish a supplemental grant program to award grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or public health that demonstrate sufficient graduation of students from disadvantaged backgrounds.

"(b) **PAYMENT FORMULA.**—

"(1) **IN GENERAL.**—Payments to an eligible institution under this section shall be calculated in accordance with this subsection.

"(2) **ELIGIBLE INSTITUTIONS.**—An institution shall be eligible for funds under this section for a fiscal year in an amount determined under paragraph (5), if the disadvantaged graduate figure for the institution (as determined under paragraph (3)) exceeds the nondisadvantaged graduate figure for the institution (as determined under paragraph (4)).

"(3) **DISADVANTAGED GRADUATE FIGURE.**—For each fiscal year, the Secretary shall determine the disadvantaged graduate figure for the institution by dividing—

"(A) the number of students from disadvantaged backgrounds who graduated from the institution as part of such class; by

"(B) the number of students from disadvantaged backgrounds who matriculated into the institution as part of a class.

"(4) **NONDISADVANTAGED GRADUATE FIGURE.**—For each fiscal year, the Secretary shall determine the nondisadvantaged graduate figure for the institution by multiplying—

"(A) the quotient determined by dividing—

"(i) the number of students from nondisadvantaged backgrounds who graduated from the institution as part of such class; by

"(ii) the number of students from nondisadvantaged backgrounds who matriculated into the institution as part of a class; by

"(B) .9.

"(5) **AMOUNT OF GRANT.**—An institution determined to be eligible to receive a grant under this subsection shall be entitled to an amount determined by multiplying—

"(A) the quotient determined by dividing—

"(i) the total amount of funds made available to carry out this section during such preceding fiscal year; by

"(ii) the number of students from disadvantaged backgrounds who graduated from eligible institutions during the preceding fiscal year; by

"(B) the number of students from disadvantaged backgrounds who graduated from the eligible institution during such preceding fiscal year.

"(c) **USE OF FUNDS.**—Payment received by the institution under subsection (b) shall be used to provide—

"(1) financial aid services for individuals from disadvantaged backgrounds who choose to attend such institution;

"(2) retention services or for other retention purposes for individuals for disadvantaged backgrounds.

"(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section, \$2,000,000 in each of the fiscal years 1990 and 1991.

"SEC. 787B. REPORT.

"Not later than September 30, 1991, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that develops a tracking system to evaluate—

"(1) the success of the programs established under sections 787 and 787A in enhancing the professional education of individuals from disadvantaged backgrounds; and

"(2) the gains experienced by institutions in the retention of students from disadvantaged backgrounds."

SEC. 306. SPECIAL PROJECTS; GERIATRIC EDUCATION AND TRAINING.

(a) **SPECIAL PROJECTS.**—Section 788 (42 U.S.C. 295g-8) is amended to read as follows:

"SEC. 788. SPECIAL PROJECTS.

"(a) TWO-YEAR SCHOOLS.—

"(1) **IN GENERAL.**—The Secretary may make grants to maintain and improve schools that provide the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools that were in existence on September 30, 1985, may be used for construction and the purchase of equipment.

"(2) **ELIGIBILITY.**—To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy and be accredited by or be operated jointly with a school that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.

"(b) FACULTY AND CURRICULUM DEVELOPMENT AND CLINICAL TRAINING SITES.—

"(1) GRANTS AND CONTRACTS.—

"(A) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with any health professions institution or any other public or private nonprofit entity for the development and implementation of model projects in areas such as faculty and curriculum development, and development of new clinical training sites.

"(B) **ALLOCATION OF FUNDS.**—Priority shall be given to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, public health, chiropractic, allied health, and to graduate programs at public and nonprofit private schools in health administration and clinical psychology in the allocation of funds under this subsection. Funds shall be allocated to each profession for award within that profession on the basis of competitive applications. Investigator-initiated projects should be encouraged. Funding priorities may be determined by the Secretary on consultation with the health professions schools and the National Advisory Council on the Health Professions Education.

"(C) **PEER REVIEW.**—Any application for a grant to institutions described in subparagraph (A) shall be subject to

appropriate peer review by peer review groups composed principally of non-Federal experts.

"(2) HEALTH PROFESSIONS INSTITUTIONS AND ALLIED HEALTH INSTITUTIONS.—

"(A) SET-ASIDE.—At least 75 percent of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (e) shall be obligated for grants to and contracts with health professions institutions and allied health institutions.

"(B) PEER REVIEW.—Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

"(C) PREREQUISITES.—The Secretary may not approve or disapprove an application for a grant to an institution described in subparagraph (A) unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (B) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

"(c) TRAINING IN PREVENTIVE MEDICINE.—

"(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to meet the costs of projects—

"(A) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

"(B) to provide financial assistance to residency trainees enrolled in such programs.

"(2) ADMINISTRATION.—

"(A) AMOUNT.—The amount of any grant under paragraph (1) shall be determined by the Secretary.

"(B) APPLICATION.—No grant may be made under paragraph (1) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(C) ELIGIBILITY.—To be eligible for a grant under paragraph (1), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

"(D) OTHER FUNDS.—Schools of medicine, osteopathy, and public health may use funds committed by State, local, or county public health officers or matching amounts for Federal grant funds for residency training programs in preventive medicine.

"(d) PROGRAMS FOR PHYSICIAN ASSISTANTS.—

"(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathy and other public or nonprofit private

entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(8)).

"(2) APPLICATIONS.—No grant or contract may be made under paragraph (1) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that the school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted, in positions for which they have been trained.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For purposes of carrying out this section, there are authorized to be appropriated \$8,000,000 for each of the fiscal years 1989 through 1991, of which 10 percent of the funds appropriated each fiscal year shall be used to carry out subsection (a). Funds provided to carry out this section shall remain available until expended without regard to any fiscal year limitation."

(b) GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING.—Part F of title VII is amended by inserting after section 788B (42 U.S.C. 295g-8b) the following new section:

"SEC. 789. GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING.

"(a) GERIATRIC EDUCATION CENTERS.—

"(1) IN GENERAL.—The Secretary may make grants to and enter into contracts with accredited health professions schools, including schools of allied health, referred to in section 701(4) or 701(10) and programs referred to in section 701(8) to assist in meeting the costs of such schools or programs of providing projects to—

"(A) improve the training of health professionals in geriatrics;

"(B) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

"(C) expand and strengthen instruction in methods of such treatment;

"(D) support the training and retraining of faculty to provide such instruction;

"(E) support continuing education of health professionals and allied health professionals who provide such treatment; and

"(F) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

"(2) APPROVAL OF APPLICATIONS.—

"(A) PEER REVIEW.—Any application for a grant or contract under this subsection shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

"(B) PREREQUISITES.—The Secretary may not approve or disapprove an application for a grant or contract under this subsection unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (A) and

has consulted with the National Advisory Council on Health Professions Education with respect to such application.

"(b) GERIATRIC TRAINING.—

"(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathy, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including residencies, traineeships, and fellowships) for geriatric training projects to train physicians and dentists who plan to teach geriatric medicine or geriatric dentistry.

"(2) REQUIREMENTS.—Each project for which a grant or contract is made under this subsection shall—

"(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine;

"(B) be staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

"(C) be based in a graduate medical education program in internal medicine or family medicine, or in a department of geriatrics in existence as of December 1, 1987;

"(D) provide participants in the project with exposure to a diversified population of elderly individuals;

"(E) provide training in geriatrics and exposure to the physical and mental disabilities of elderly individuals through a variety of service rotations, such as geriatric consultation services, acute care services, dental services, geriatric psychiatry units, day and home care programs, rehabilitation services, extended care facilities, geriatric ambulatory care and comprehensive evaluation units, and community care programs for elderly mentally retarded individuals; and

"(F) provide training in geriatrics through one or both of the training options described in subparagraphs (A) and (B) of paragraph (3).

"(3) TRAINING OPTIONS.—The training options referred to in subparagraph (F) of paragraph (2) shall be as follows:

"(A) A 1-year retraining program in geriatrics for—

"(i) physicians who are faculty members in departments of internal medicine, family medicine, gynecology, geriatrics, and psychiatry at schools of medicine and osteopathy; and

"(ii) dentists who are faculty members at schools of dentistry or at hospital departments of dentistry.

"(B) A 1-year or 2-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

"(i) physicians who have completed graduate medical education programs in internal medicine, family medicine, psychiatry, neurology, gynecology, or rehabilitation medicine; and

"(ii) dentists who have completed post-doctoral dental education programs.

"(4) DEFINITIONS.—For purposes of this subsection:

"(A) GRADUATE MEDICAL EDUCATION PROGRAM.—The term 'graduate medical education program' means a program sponsored by a school of medicine, a school of osteopathy, a hospital, or a public or private institution that—

"(i) offers postgraduate medical training in the specialties and subspecialties of medicine; and

"(ii) has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Post-doctoral Training.

"(B) POST-DOCTORAL DENTAL EDUCATION PROGRAM.—The term 'post-doctoral dental education program' means a program sponsored by a school of dentistry, a hospital, or a public or private institution that—

"(i) offers post-doctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

"(ii) has been accredited by the Commission on Dental Accreditation.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) GERIATRIC EDUCATION CENTERS.—For grants and contracts under subsection (a), there are authorized to be appropriated \$12,000,000 for fiscal year 1989, \$15,000,000 for fiscal year 1990, and \$20,000,000 for fiscal year 1991.

"(2) GERIATRIC TRAINING.—For grants and contracts under subsection (b), there are authorized to be appropriated \$10,000,000 for fiscal year 1989, \$15,000,000 for fiscal year 1990, and \$20,000,000 for fiscal year 1991."

(c) CONFORMING AMENDMENTS.—Section 783 (42 U.S.C. 295g-3) is repealed.

SEC. 307. GRANTS FOR MINORITY EDUCATION.

(a) REORGANIZATION.—Section 788A (42 U.S.C. 295g-8a) is transferred to immediately after section 781 (42 U.S.C. 295g-1) and redesignated as section 782.

(b) ELIGIBILITY.—Subsection (c) of section 782 (as transferred and redesignated by subsection (a)) is amended to read as follows:

"(c) Only health professions schools shall be eligible for a grant under this section. To be eligible, such schools must—

"(1) be a school described in section 701(4); and

"(2) have received a contract under section 788A for fiscal year 1987."

SEC. 308. ADVANCED FINANCIAL DISTRESS ASSISTANCE.

Part F of title VII (42 U.S.C. 295g et seq.) (as amended by section 307(a) of this Act) is amended by redesignating section 788B as section 788A.

TITLE IV—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

SEC. 401. GRANTS AND TRAINEESHIPS FOR GRADUATE PROGRAMS.

(a) *IN GENERAL.*—Section 791 (42 U.S.C. 295h) is amended to read as follows:

"SEC. 791. GRANTS AND TRAINEESHIPS FOR GRADUATE PROGRAMS.

"(a) GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.—

"(1) IN GENERAL.—From funds appropriated under subsection (c)(1), the Secretary shall make annual grants to public or non-profit private educational entities (including schools of social work and excluding accredited schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, and health planning.

"(2) APPLICATIONS.—

"(A) IN GENERAL.—No grant may be made under paragraph (1) unless an application therefor has been submitted to the Secretary before such time as the Secretary shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation, prescribe.

"(B) REQUIREMENTS.—The Secretary may not approve an application submitted under subparagraph (A) unless—

"(i) such application contains assurances satisfactory to the Secretary that in the school year (as defined in regulations of the Secretary) beginning in the fiscal year for which the applicant receives a grant under paragraph (1) that—

"(I) at least 25 individuals will complete the graduate educational programs of the entity for which such application is submitted, except that in any case in which the number of minority students enrolled in the graduate educational programs of such entity in such school year will exceed an amount equal to 45 percent of the number of all students that will be enrolled in such programs in such school year, such application shall only be required to contain assurances that at least 20 individuals will complete such programs in such school year; and

"(II) such entity shall expend or obligate at least \$100,000 in funds from non-Federal sources to conduct such programs; and

"(ii) the program for which such application was submitted has been accredited for the training of individuals for health administration, hospital administration, or health planning by a recognized body or bodies approved for such purpose by the Secretary of

Education and meets such other quality standards as the Secretary shall by regulation prescribe.

"(C) **WAIVER.**—The Secretary may waive (in whole or in part) the requirements of subclause (II) of subparagraph (B)(i) with respect to any school on written notification by the appropriate accreditation body or bodies that compliance with the assurances required by such subparagraph will prevent such school from meeting the accreditation standards of such body or bodies.

"(D) **CONSULTATION.**—The Secretary may not approve or disapprove an application submitted under paragraph (1) except after consultation with the National Advisory Council on Health Professions Education.

"(b) **TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS.**—

"(1) **IN GENERAL.**—The Secretary may make grants to public or nonprofit private educational entities, including graduate schools of social work but excluding accredited schools of public health, that offer a program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Secretary of Education and that meets such other quality standards as the Secretary by regulation may prescribe, for traineeships to train students enrolled in such a program.

"(2) **ADMINISTRATION.**—

"(A) **APPLICATIONS.**—No grant for traineeships may be made under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

"(B) **USE.**—Traineeships awarded under grants made under paragraph (1) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may consider necessary.

"(C) **SET-ASIDE.**—In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this subsection shall be awarded to individuals who—

- "(i) have previously received a baccalaureate degree;
- or
- "(ii) have 3 years of work experience in health services.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—

"(1) **GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.**—For payments under grants under subsection (a), there are authorized to be appropriated \$1,500,000 for each of the fiscal years 1989 through 1991.

"(2) TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS.—For payments under grants under subsection (b), there are authorized to be appropriated \$500,000 for each of the fiscal years 1989 through 1991."

(b) PUBLIC HEALTH PERSONNEL.—Subpart I of part G of title VII (42 U.S.C. 295h et seq.) is amended by repealing sections 791A, 792 and 793 (42 U.S.C. 295h-1a, 295h-1b, and 295h-1c).

SEC. 402. STATISTICS AND ANNUAL REPORT.

Section 794(c) (42 U.S.C. 295h-2(c)) is amended—

(1) by striking out "Interstate and Foreign Commerce" and inserting in lieu thereof "Energy and Commerce"; and

(2) by striking out "Labor and Public Welfare" and inserting in lieu thereof "Labor and Human Resources".

SEC. 403. ALLIED HEALTH PROJECT GRANTS AND CONTRACTS.

Section 796 (42 U.S.C. 295h-5) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

"(a) The Secretary shall make grants to and enter into contracts with eligible entities to assist them in meeting the costs of planning, developing, establishing, operating, and evaluating projects relating to:

"(1) Improving and strengthening the effectiveness of allied health administration, program directors, faculty, and clinical faculty.

"(2) Improving and expanding program enrollments in those professions in greatest demand and whose services most impact the elderly.

"(3) Interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly.

"(4) Demonstration centers to emphasize innovative models to link allied health profession's clinical practice, education, and research.

"(5) Adding and strengthening curriculum units in allied health programs to include knowledge and practice concerning prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics.

"(6) The recruitment of individuals into allied health professions, including projects for—

"(A) the identification and recruitment of highly qualified individuals, including the provision of educational and work experiences for recruits at the secondary and collegiate levels;

"(B) the identification and recruitment of minority and disadvantaged students, including the provisions of remedial and tutorial services prior and subsequent to admission, the provision of work-study programs for secondary students, and recruitment activities directed toward primary school students; and

"(C) the coordination and improvement of recruitment efforts among official and voluntary agencies and institutions, including official departments of education, at the city, county, and State, or regional level.";

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c) For purposes of subsection (a), the term 'eligible entities' means entities which are—

"(1) schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe; or

"(2) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a)."; and

(3) by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d)(1) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated \$4,800,000 for fiscal year 1989; and \$5,000,000 for each of the fiscal years 1990 and 1991.

"(2) In each fiscal year for which funds are authorized to be appropriated under this subsection, all grants made with such funds shall preferentially be awarded to training centers for the allied health professions."

SEC. 404. ALLIED HEALTH STUDENT TRAINEESHIPS.

Subpart II of part G of title VII is amended by inserting after section 796 (42 U.S.C. 295h-5) the following new section:

"SEC. 796A. ALLIED HEALTH STUDENT TRAINEESHIPS.

"(a) **GRANTS.**—The Secretary may make grants to, and enter into contracts with, public or nonprofit private schools of allied health or other educational entities offering an allied health program to assist students in meeting the costs of entry level education.

"(b) **USE OF GRANTS.**—Grants awarded under subsection (a) shall be used for tuition, fees, and such stipends and allowances for trainees as the Secretary may consider necessary.

"(c) **ELDERLY POPULATION.**—In making grants under this section, the Secretary shall ensure that 80 percent of the funds available for such grants shall be used to enable individuals to participate in allied health programs which prepare personnel to meet the rehabilitation needs of the elderly population.

"(d) **TAXATION.**—Notwithstanding any other provision of law, any payment to, or on behalf of, a participating student of tuition under this section shall be exempt from taxation.

"(e) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out the purposes of this section, there are authorized to be appropriated \$9,000,000 for fiscal year 1989, and \$10,000,000 for each of the fiscal years 1990 and 1991."

SEC. 405. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

Section 797 (42 U.S.C. 295h-6) is amended to read as follows:

"SEC. 797. TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL.

(a) **GRANTS.**—The Secretary may make grants to and enter into contracts with public or nonprofit private educational entities to meet the costs of projects designed to—

"(1) plan, develop, establish, expand, and operate doctoral programs for the advanced speciality training of allied health professionals who plan to teach and conduct research in an allied health training program; and

"(2) provide financial assistance in the form of traineeships or fellowships to doctoral students who are participants in any such program and who plan to teach and conduct research in an allied health discipline or to post doctoral students who are continuing specialized study and research in an allied health discipline.

"(b) **LIMITATION.**—The Secretary shall limit grants and contracts made or entered into under subsection (a) to those allied health fields or specialties as the Secretary shall, from time to time, determine to have—

"(1) the most significant national or regional shortages of practitioners;

"(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; and

"(3) a significant role in the care and rehabilitation of patients and clients who are elderly or disabled.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated \$5,000,000 for each of the fiscal years 1989 and 1990, and \$6,000,000 for fiscal year 1991.

"(d) **AWARDING OF GRANTS.**—In each fiscal year for which funds are authorized to be appropriated under this section, all grants made with such funds shall preferentially be awarded to training centers for the allied health professions.

"(e) **AVAILABILITY OF FUNDS.**—Funds appropriated under this section for any fiscal year shall remain available until expended or through fiscal year 1991."

SEC. 406. ALLIED HEALTH PROFESSIONS DATA.

Section 798 (42 U.S.C. 295h-7) is amended to read as follows:

"SEC. 798. ALLIED HEALTH PROFESSIONS DATA.

"(a) **ESTABLISHMENT OF REPORTING SYSTEM.**—The Secretary may make grants, or enter into contracts and cooperative agreements with, and provide technical assistance to, any nonprofit entity in order to establish a uniform allied health professions data reporting system to collect, compile, and analyze data on the allied health professions personnel.

"(b) **DATA.**—Data shall include the most current information concerning the supply, distribution, and utilization of allied health practitioners and faculty, including physical therapy, occupational therapy, respiratory therapy, speech pathology, and audiology, medical records, dietetics, medical technology, and radiological technology.

"(c) **ANNUAL REPORTS.**—

"(1) **REPORT ON STATUS OF SYSTEM AND ACTIVITIES.**—Not later than 1 year after the date of enactment of this section, and each year thereafter, the Secretary shall prepare and submit, to the President, the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report of the status and de-

velopment of the uniform allied health profession data reporting system and of the activities carried out under this section.

"(2) **REPORT CONTAINING ANALYSIS OF DATA.**—Not later than 6 months after the date of enactment of this Act, and each year thereafter, the Secretary shall also prepare and submit to the President, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report that shall include a description and analysis of data collected pursuant to this section.

"(d) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out the purposes of this section there are authorized to be appropriated \$1,200,000 for fiscal year 1989, \$2,000,000 for fiscal year 1990, and \$3,000,000 for fiscal year 1991. Funds appropriated for any fiscal year shall remain available until expended."

SEC. 407. COUNCIL ON ALLIED HEALTH EDUCATION.

Subpart II of part G is amended by inserting after section 798 (42 U.S.C. 295h-7) the following new section:

"SEC. 798A. COUNCIL ON ALLIED HEALTH EDUCATION.

"(a) **ESTABLISHMENT.**—There is established the Council on Allied Health Education (hereinafter in this section referred to as the 'Council'). The Council shall—

"(1) meet twice annually to provide advice and make recommendations to the Secretary and to the Committee on Labor and Human Resources and Finance of the Senate and the Committee on Energy and Commerce and Ways and Means of the House of Representatives, with respect to—

"(A) the supply and distribution of allied health personnel in the United States;

"(B) current and future shortages or excess of allied health personnel;

"(C) appropriate Federal policies with respect to the matters specified in subparagraphs (A) and (B), including policies concerning changes in the financing of undergraduate and graduate allied health programs and changes in the types of allied health education;

"(D) appropriate efforts to be carried out by health care facilities, schools of allied health, and professional associations with respect to the matters specified in subparagraphs (A), (B), (C), including efforts for changes in undergraduate and graduate allied health education programs;

"(E) deficiencies and needs for improvements in existing data bases concerning the supply and distribution of training programs for allied health in the United States and steps that should be taken to eliminate those deficiencies; and

"(F) problems, and recommendations for their resolution, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry; and

"(2) encourage entities providing allied health education to conduct activities to voluntarily achieve the recommendations of the Council under paragraph (1)(D).

"(b) COMPOSITION.—The Council shall be composed of—

"(1) the Assistant Secretary for Health or the designee of the Assistant Secretary;

"(2) the Administrator of the Health Care Financing Administration or the designee of the Administrator;

"(3) the Chief Medical Director of the Veterans' Administration;

"(4) seven members appointed by the Secretary that include representatives of physical therapy, occupational therapy, respiratory therapy, dietetics, clinical laboratory personnel, dental hygiene, and medical records administration; and

"(5) five members of the Council appointed by the Secretary that include representatives of schools of allied health, health care facility employers of allied health personnel, health insurers, and professional organizations representing the allied health professions.

"(c) APPOINTMENT.—

"(1) TERMS.—Members of the Council appointed under paragraphs (4) and (5) of subsection (b) shall be appointed for a term of 4 years, or until a replacement is appointed, except that the term of office of three of the members first appointed shall expire, as designated by the Secretary at the time of appointment, at the end of 4 years.

"(2) TIME FOR APPOINTMENT.—The Secretary shall appoint the first members to the Council under paragraphs (4), (5), and (6) of subsection (b) within 60 days after the date of enactment of this section.

"(d) CHAIRMAN.—The Council shall elect one of its members as Chairman of the Council.

"(e) QUORUM.—Nine members of the Council shall constitute a quorum, but a lesser number may hold hearings.

"(f) VACANCIES.—Any vacancy in the Council shall not affect its power to function.

"(g) COMPENSATION.—Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate not greater than the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

"(h) ADMINISTRATION.—

"(1) IN GENERAL.—To carry out this section, the Council may—

"(A) collect such information, hold such hearings, and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may consider available; and

"(B) request the cooperation and assistance of Federal departments, agencies, and instrumentalities, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.

"(2) COORDINATION.—The Council shall coordinate activities carried out under this section with the activities of the National Advisory Council on Health Professions Education under section 702 and with the activities of the Secretary under section 708. The Secretary shall, in cooperation with the Council and pursuant to the recommendations of the Council, take such steps as are practicable to eliminate deficiencies in the data base established under section 708 and shall make available in its reports such comprehensive data sets as are developed pursuant to this section.

"(i) REPORTS.—In the reports required under subsection (a), the Council shall specify its activities during the period for which the report is made."

TITLE V—GRADUATE MEDICAL EDUCATION

SEC. 501. COUNCIL ON GRADUATE MEDICAL EDUCATION.

Section 799 (42 U.S.C. 295i) is amended by adding at the end thereof the following new subsection:

"(k) To enable the Council to carry out this section, there are authorized to be appropriated \$2,000,000 for each of the fiscal years 1989 through 1991."

TITLE VI—MISCELLANEOUS

SEC. 601. OBLIGATED SERVICE.

Section 338C(b)(5)(A) (42 U.S.C. 254m(b)(5)(A)) is amended by inserting "clinical psychology," after "podiatry,".

SEC. 602. ASSESSMENTS OF HEALTH MANPOWER SHORTAGES.

(a) REQUEST FOR INFORMATION.—Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services shall contact the chief executive officer of each State, the Mayor of the District of Columbia, and the chief executive officer of the Virgin Islands, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and request that each such individual submit to the Secretary an assessment of the greatest health manpower shortages by discipline of health care providers and by allopathic and osteopathic speciality, of such individuals State, District, Commonwealth, or Territory.

(b) REPORT.—The Secretary of Health and Human Services shall compile and analyze the information obtained under subsection (a) and prepare and submit, to the appropriate Committees of Congress, as part of the October 1, 1991, report required under section 708(d)(1) of the Public Health Service Act (42 U.S.C. 292h(d)(1)), a report containing such information and analysis.

SEC. 603. REISSUANCE AND REFINANCING AGREEMENTS AUTHORIZED.

Subpart I of part C of title VII (42 U.S.C. 294 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 739A. REISSUANCE AND REFINANCING OF CERTAIN LOANS.

"(a) IN GENERAL.—Any borrower who received a loan insured under this subpart bearing an interest rate that is fixed at a rate in excess of 12 percent per year may enter into an agreement with the eligible lender that made such loan for the reissuance of such loan in order to permit the borrower to obtain for such loan the interest rate in effect for loans insurable under this subpart on the date the borrower submits an application to such lender for such reissuance.

"(b) PROCEDURES.—

"(1) DISCHARGE BY OBTAINING LOAN.—Any borrower who received a loan under this subpart bearing an interest rate that is fixed at a rate in excess of 12 percent per year may obtain a loan from an eligible lender (other than the original lender) for the purpose of discharging the loan from such original eligible lender. A loan made for such purpose—

"(A) shall bear interest at the interest rate in effect for loans insurable under this subpart on the date the borrower submits an application for a loan under this subsection; and

"(B) shall be applied to discharge the borrower from any remaining obligation to the original eligible lender with respect to the original loan.

"(2) CERTIFICATION.—Each new eligible lender may accept certification from the original eligible lender to the borrower's original loan in lieu of presentation of the original promissory note.

"(c) TIME OF PAYMENT.—Any loan reissued under subsection (a) or refinanced under subsection (b) shall be payable during the repayment period applicable to the loan made under this subpart prior to the date of enactment of this section, and such reissuance or refinancing shall not result in the extension of the duration of the loan.

"(d) ADMINISTRATIVE COSTS.—An eligible lender reissuing a loan under subsection (a) or refinancing a loan under subsection (b) may charge a borrower an amount not in excess of \$100 to cover the administrative costs of such reissuance or refinancing.

"(e) INSURANCE.—The reissuance of a loan under subsection (a) or the refinancing of a loan under subsection (b) shall not affect any insurance applicable to such loan, and no additional insurance premium may be charged with respect to such loan.

"(f) NOTIFICATION.—Each holder of a loan made under this subpart shall, not later than January 1, 1989, in the case of loans made before the date of enactment of this section, notify the borrower of such loan—

"(1) of the reissuance or refinancing options for which the borrower is eligible under this section;

"(2) of those options which will be made available by the holder; and

"(3) that, with respect to any option that the holder will not make available, the holder will, to the extent practicable, refer the borrower to an eligible lender offering such option.

"(g) REGULATIONS.—The Secretary shall promulgate regulations to implement this section.

"(h) DEFINITION.—For purposes of this section, the term 'eligible lender' includes the Student Loan Marketing Association."

SEC. 604. RESTRICTION ON APPROPRIATIONS.

Part H of title VII (42 U.S.C. 295i) is amended by adding at the end thereof the following new part:

"PART I—MISCELLANEOUS

"SEC. 799A. RESTRICTION ON APPROPRIATIONS.

"From amounts appropriated under this title, at least \$13,000,000 of such amounts shall be used in each fiscal year to provide scholarships for full-time students of exceptional financial need under section 758."

IV. COMMITTEE VIEWS

For more than 20 years, Congress has recognized the Federal role in assuring an adequate supply of physicians, dentists and other health care professionals as part of the effort to provide access to high quality medical care for all Americans. S. 2229, the reauthorization of Title VII of the Public Health Service Act, provides continued Federal support for health professions education at schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, health administration, chiropractic and allied health, preventive medicine, physician assistant and clinical psychology training programs. Through a 3-year reauthorization, this legislation maintains what the Committee believes is a necessary role for the Federal Government in training health professionals to meet the health care needs of people in the United States.

The Committee has chosen to emphasize five areas of program activity supported by Title VII. The first is to increase the availability of financial aid to students in health professions schools, particularly those who are economically and educationally disadvantaged. The second is to increase institutional support for primary care training programs of family medicine, general internal medicine, pediatrics, geriatrics, and also in allied health. The third area for emphasis is on efforts to increase the representation of minority and disadvantaged students in health professions schools. The fourth area for emphasis is to provide increased support for training in geriatrics and the care of the elderly. The fifth area for emphasis is to provide increased support for the training of allied health professionals.

To respond to the increased demand for many health care professionals, the Committee has increased the total amount authorized under Title VII, excluding loan guarantees, from \$154 million for fiscal year 1988 to \$243 million for fiscal year 1989, \$260 million for fiscal year 1990 and \$276 million for fiscal year 1991.

STUDENT ASSISTANCE

Educational costs have risen dramatically over the past decade, especially for students enrolled in health professions schools. Cost inflation for medical and other health professions schools has exceeded the overall rate of inflation in this country, and with the phasing out of federal capitation support in the 1970's, these schools have had to significantly increase tuitions. The amount of grant and scholarship support for health professions students has decreased over the past decade, and the availability of low interest loans has not increased. Health professions students have had to increasingly depend upon high interest loans to finance their education, and many have identified this as a major factor in the declining number of students, especially from low-income and disadvantaged backgrounds, applying to health professions schools.

Other consequences of the growing indebtedness among health professions students include fewer students choosing the relatively low paying primary care specialties, and a lessening commitment to practice in low-income, medically underserved communities. The lack of adequate financial aid resources may be aggravating the specialty and geographic maldistribution of physicians and other health care providers in the U.S.

The Committee further recognizes that the lack of adequate financial aid resources may present a barrier to entering the health professions for many students, and therefore has sought to increase the amounts of scholarships and loans available under Title VII. In addition, eligibility for some of the financial aid programs under Title VII has been expanded to include allied health and other health professions disciplines.

Recognizing the need to stimulate the training of allied health professionals, S. 2229 expands the definition of the term "school of allied health" to include, for the purposes of the Health Professions Student Loan [HPSL] and Health Education Assistance Loan [HEAL] programs, a hospital-based allied health training program. The Committee recognizes the importance of hospital-based allied health training programs, and is supportive of trend of increasing affiliations between these hospitals and academic institutions.

The Committee is aware of a small number of students who in the early 1980's received fixed rate HEAL loans with interest rates up to 19 percent. S. 2229 provides for the refinancing of these loans without the loss of the Federal guarantee at current HEAL interest rates.

The authority for the HEAL program is extended for three years, and the ceiling on the total amount of loan guarantees has been raised to \$325 million for fiscal year 1989, \$375 million for fiscal year 1990, and \$450 million for fiscal year 1991. In raising the total amount of loan guarantees available, the Committee recognizes the critical importance of providing the necessary financial aid resources for all students seeking to enter the health professions. Further, the Committee maintains its commitment to provide these scarce financial aid resources only to those students deemed to be "in need", as determined by an assessment of the student's assets and resources.

It is the Committee's intent that the Secretary of Health and Human Services guarantee the full amount of HEAL loans authorized in any given year without regard to apportionment or other limitation. Although apportionment often makes sense when federal funds are involved, it is inappropriate to apply this budgetary technique to the HEAL program, which utilizes funds from the private sector. Further, to reduce the total amount of interest paid by a borrower, interest on the unpaid balance of HEAL loans shall be compounded not more frequently than semiannually.

The Committee believes that the Secretary should be permitted to sell, without the Federal guarantee, defaulted HEAL loans to lenders at a discounted rate. This option could allow the Secretary to collect some amount of funds from defaulted HEAL loans that are not sufficiently large, individually, to warrant the attention of the Department of Justice. The Committee expects the pool of loans available for this option will be reduced somewhat by the litigation requirement now imposed on lenders and holders of HEAL loans, but believes that providing this alternative to the Department of Health and Human Services could raise revenue for the Student Loan Insurance Fund.

Even though the current Title VII statute has long precluded declaring bankruptcy for five years after repayment of HEAL loans begins, the Committee notes that, from time to time, attorneys assert that Chapter 11 may be used to relieve borrowers of their obligations to repay HEAL loans by declaring bankruptcy. This has resulted in unnecessary and costly litigation by the Department of Health and Human Services. The Committee has included language in S. 2229 to make clear that HEAL loan borrowers may not be relieved from their loan obligations through any Chapter 11 bankruptcy proceeding. Other technical amendments to the HEAL program are made relating to statutes of limitation with respect to defaults. To exercise proper due diligence in taking action against defaulted borrowers, lenders must operate under a variety of state statutes of limitation. By establishing a uniform 6-year Federal statute of limitation, the Committee intends to alleviate any difficulty lenders might have in pursuing defaulted borrowers in states where the statute of limitation is shorter than 6 years. The Committee is optimistic that these revisions to the HEAL program will improve its administration and attractiveness to health professions students.

Eligibility for the HPSL program is expanded in S. 2229 to include students pursuing a bachelor of science or higher in allied health, a doctoral degree in clinical psychology or a doctor of chiropractic degree. Other technical amendments are made to the HPSL program relating to statutes of limitation with respect to defaults, and to allow repayment of HPSL loans for those who serve as full-time faculty members.

Recognizing the need to also provide increased low interest loan resources, the Committee has included authorization for new capital contributions for the HPSL program. S. 2229 authorizes \$15 million for fiscal year 1989, \$16 million for fiscal year 1990, and \$17 million for fiscal year 1991. The Committee is particularly aware of the need to provide greater financial aid resources for students enrolled in allied health training programs, and has stipulated that

at least 30 percent of amounts appropriated for new capital contributions be allocated for schools of allied health.

Section 792, Public Health Traineeships, has been redesignated as Section 751 and placed under the Part C of Title VII relating to Student Assistance. The authority for these public health traineeships has been maintained, to provide students enrolled in schools of public health with funds for tuition and fees, and such stipends and allowances as the Secretary may deem necessary. The Committee sought to revise the public health traineeship program to focus on the areas of public health specialization most in need. In awarding traineeships under this section, each school must assure that at least 80 percent of the funds shall be provided to individuals who have previously received a baccalaureate degree, or who are pursuing a course of study in biostatistics or epidemiology, health administration or policy, environmental or occupational health, dietetics or nutrition, preventive medicine or dentistry, or maternal and child health. S. 2229 provides \$5 million for each of the fiscal years 1989 through 1991.

With increasing tuition and other educational costs at nearly all health professions schools, students from low income and disadvantaged families are confronted with real barriers in their efforts to become physicians, dentists, and other health care providers. Many of these students have chosen to pursue careers in other areas because of the large indebtedness that would have to be incurred. The Committee demonstrated its commitment to maintaining access to careers in the health professions, especially for students from low income and disadvantaged backgrounds, by increasing the authority under the Exceptional Financial Need Scholarship program. The authorization under the Exceptional Financial Need Scholarship program has been increased from \$7 million in fiscal year 1988, to \$30 million in each of the fiscal years 1989 through 1991. S. 2229 further provides that at least \$13 million of the total amount appropriate for Title VII activities in each of the fiscal years 1989 through 1991 shall be provided for Exceptional Financial Need Scholarships.

In addition, the Committee has expanded the eligibility for these scholarships to include students enrolled in all years of study in schools of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry or veterinary medicine. Students enrolled in schools of chiropractic have also been added to the list of those eligible. Finally, the language concerning the amount of assistance provided under this section has been revised to specify that a scholarship may consist of all or part of the tuition and other educational expenses, and monthly stipend not to exceed \$400. By providing increased flexibility, the Committee seeks to extend to more low income and disadvantaged students the availability of scholarship assistance. Lack of financial aid resources nor the likelihood of unbearable indebtedness from educational loans should pose barriers to the health professions for low income and disadvantaged students.

PRIMARY CARE

The First Report of the Council on Graduate Medical Education from the Bureau of Health Professions, DHHS, includes the finding, among others, that "There is evidence of an undersupply of certain primary care physicians together with an oversupply of some nonprimary care specialists". The Report states further that "There is an undersupply of physicians in family practice". Recognizing the need for continued federal support to encourage the training of physicians in family medicine and primary care, the Committee has chosen to maintain the authority for Project Grants for Departments of Family Medicine. These departments are relatively new to academic medical centers and other hospitals, and have not been as successful as other departments in developing revenues from patient care and research. \$7 million has been authorized for each of the fiscal years 1989 through 1991.

The Committee has also maintained the authority for grants to support training in general internal medicine and general pediatrics. To reduce duplication and inefficiency, and encourage coordination among primary care training programs within individual educational institutions and hospitals, priority in funding will be given to such institutions that demonstrate coordination of curriculum development and resident teaching activities with departments of family medicine. Research has demonstrated that graduates from federally-supported general internal medicine and general pediatric residency training programs are more likely to remain in primary care and practice in medically underserved communities. The Committee considers the funds provided to these training programs to be well invested. S. 2229 maintains the current authorization at \$22 million for each of the fiscal years 1989 through 1991.

The Committee also continues to support training programs in family medicine and general dentistry. Without federal assistance many of these primary care training programs could not exist. As with the grants for general internal medicine and general pediatrics, to reduce duplication and inefficiency, and encourage coordination among primary care training programs within individual educational institutions and hospitals, priority in funding will be given to such institutions that demonstrate coordination of curriculum development and resident teaching activities.

Under the current authority, 7.5 percent of the funds appropriated under this section are used to support general dentistry training programs. The Committee acknowledges the importance of training greater numbers of general dentists, and has chosen to provide a separate authorization for general dentistry training programs. This increased authorization will allow for a much needed expansion in the number of general practice residency and advanced general dentistry training positions, and enhancement of the quality of existing programs. There is evidence to suggest that graduates of these programs refer fewer patients for specialty dental care because of their broadened training experience, thereby reducing costs to patients. S. 2229 includes authority for increased funding for both family medicine and general dentistry; \$40 million is provided for family medicine training programs and \$10 million

for general dentistry programs for each of the fiscal years 1989 through 1991.

**EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED
BACKGROUNDS**

The Federal Government has support programs to increase the number of minority and disadvantaged individuals in the health professions for at least fifteen years. Despite considerable efforts in the area of affirmative action, and a sizable Federal investment, minorities and those from disadvantaged backgrounds remain underrepresented in the health professions. The Committee is fully aware of the persistent gap between the proportion of minority and disadvantaged individuals in the population, and their representation among the health professions, and is committed to increasing Federal resources directed toward eliminating this gap.

The Committee is supportive of the current efforts under Title VII to recruit individuals from minority and disadvantaged backgrounds for careers in the health professions, facilitate their entry into health professions schools, and assist them in completing a health professions curriculum. The Committee further recognizes that the commitment to affirmative action may have lessened among some health professions schools in recent years, and that certain incentives should be initiated to increase the number of minority and disadvantaged students admitted to and graduated from health professions schools. To reach the goal of parity between the proportion of minority and disadvantaged students enrolled in health professions schools, and their proportion in the U.S. population, the Committee has revised the section under Title VII providing grants for Educational Assistance to Individuals from Disadvantaged Backgrounds.

Many nonprofit organizations and health professions schools that receive grants under Section 787 offer summer educational enrichment programs for students seeking to enter health professions schools, or for students already enrolled who may need remedial assistance. Currently, these programs are precluded from offering student stipends. Many disadvantaged students have had to forego participation in these valuable programs out of the necessity to work during the summer, to provide funds to support themselves during the school year. Students most in need of educational enrichment often cannot take advantage of these activities. S. 2229 amends the current authority to allow grantees to use grant or contract support to pay stipends to students enrolled in structured summer academic enrichment programs. And to assure that students receive adequate stipend support to allow their participation in these summer enrichment programs, grantees shall be required to obligate at least 20 percent of the total amount of grant funds provided in each year of the grant to these stipends.

Under the current Title VII authority, 20 percent of the funds appropriated in any year for activities under Section 787 shall be obligated for the Federal Assistance for Disadvantaged Health Professions [FADHPS] program. This provision was added in the 1985 reauthorization of Title VII to increase financial aid support to these needy students. In so doing, though, funds to support the re-

cruitment and retention of these students were limited. The Committee is aware of and concerned about some criticism of the FADHPS program that although the majority of awards made through this program went to students who could be considered economically disadvantaged, underrepresented minority students were not the primary recipients of these awards. The Committee recognizes that sufficient resources need to be provided for financial aid, as well as recruitment and retention activities. Therefore, the Committee has chosen to remove the 20 percent set-aside of Section 787 funds for the FADHPS program. Instead, the Committee has amended the authority under Section 787 to require each grantee that receives support for these activities to obligate at least 20 percent of the grant funds for student stipends. In addition, the Committee has increased the authority under Section 758 providing Exceptional Financial Need Scholarships from the fiscal year 1988 level of \$7 million to \$30 million in each of the fiscal years 1989 through 1991.

To provide further stimulus to health professions schools that receive grant support under Section 787 to increase their representation of minority and disadvantaged individuals, the Committee has added a "performance requirement" as a prerequisite to continued grant funding. Health professions schools that receive a grant under this authority shall, during the three year period of the grant, must increase their first year enrollment of underrepresented minority and disadvantaged individuals by at least 20 percent, and maintain it at that level. If such an increase is not attained after the 3-year period of grant period, the grant recipient shall be ineligible for any subsequent grant under this authority until the 20 percent increase is achieved and maintained. The requirement for a 20-percent increase in such enrollment is applicable only to those health professions schools that have a total enrollment of underrepresented minority and disadvantaged individuals that is less than 200 percent of the national average total enrollment of such individuals within all schools of that health professions discipline. This performance requirement shall apply only to grants approved for funding after the date of enactment of this reauthorization, and shall not be retroactively applied to grants funded prior to enactment.

The Committee is aware that this performance requirement may be difficult for many health professions schools to achieve. But without such a requirement, the current falloff in enrollment of minority and disadvantaged individuals in health professions schools will most likely continue. The Committee firmly believes that health professions schools that receive federal support for these important activities should demonstrate improving performance in admitting and maintaining the enrollment of underrepresented minority and disadvantaged students.

The Committee is strongly supportive of the activities funded under this authority, and has provided \$32 million in fiscal year 1989, \$34 million in fiscal year 1990, and \$36 million in fiscal year 1991. The Committee has also chosen to maintain the current requirement that at least 80 percent of funds appropriated in any year shall be obligated for grants and contracts to academic institutions. The Committee recognizes that academic institutions have

the greatest ability to carry out the activities under this authority, and provide a continuum of educational support to underrepresented minority and disadvantaged students.

The Committee has also included a new program under Section 787 to reward health professions schools that demonstrate above average retention of underrepresented minority and disadvantaged students. Institutions shall use funds received under this new authority to provide financial aid and retention services for underrepresented minority and disadvantaged students; \$2 million for each of the fiscal years 1989 through 1990 is provided for this supplemental grant program. In addition, the Committee has added a requirement that the Secretary, not later than September 30, 1991, establish a tracking system to evaluate: (1) the success of programs supported under Section 787; and (2) the retention of underrepresented minority and disadvantaged students in health professions schools.

GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING

The Committee is aware of the growing elderly population, and the need for health care providers to receive specialized training to respond to the unique needs of this group. S. 2229 includes two new sections supporting geriatric education centers and training in geriatrics, with increased funding. These two activities are currently included under Section 788, which supports Special Projects. The Committee determined that the growing importance of geriatric training justified the initiation of a new section under Title VII.

Under the authority for geriatric education centers, the Secretary may initiate grants or contracts with health professions schools, including allied health, to: (1) improve the training of health professionals in geriatrics; (2) develop curricula on the care of the elderly; (3) strengthen instruction in methods of such treatment; (4) support faculty development; (5) support continuing education; and (6) establish new affiliation with health care facilities other than hospitals to provide students with additional clinical training in geriatrics. These centers are meant to provide training to all health professionals, both students and current practitioners, in geriatrics, and to sensitize them to the unique needs of the elderly. To support these geriatric education centers, the Committee has authorized \$12 million in fiscal year 1989, \$15 million in fiscal year 1990, and \$20 million in fiscal year 1991.

This new section also provides authority to support specialized geriatric training programs, to train allopathic and osteopathic physicians, and dentists who plan to teach geriatric medicine and geriatric dentistry. Programs eligible for support may include residencies, student traineeships and fellowships.

The Committee is aware of the critical need for faculty with expertise in geriatrics, if all health professionals are to receive training in geriatrics. It is not the intent of the Committee that funds under this program be used to establish a new patient care specialty, since it is the feeling of the Committee that all appropriate primary care, health care providers should be adequately training in the care of the elderly. These training programs must be based in a graduate medical education program in internal medicine or family

medicine, or in a department of geriatrics in existence prior to December 1, 1987.

Geriatric training programs supported under this section may offer one or both of the following training options: (1) a 1-year re-training program in geriatrics for physicians who are faculty members of departments of internal medicine, family medicine, OB-GYN, geriatrics, or psychiatry at schools of medicine or osteopathy, or dentists who are faculty members at schools of dentistry or in hospital departments of dentistry; (2) a 1- or 2-year fellowship in geriatrics offered by a department of internal medicine or family medicine for physicians who have completed their graduate training in internal medicine, family medicine, psychiatry, neurology, OB-GYN, or physical medicine and rehabilitation, or for dentists who have completed a post-doctoral dental education program. To support these geriatric training programs, S. 2229 provides authority for \$10 million in fiscal year 1989, \$15 million in fiscal year 1990, and \$20 million in fiscal year 1991.

The Committee also notes that the elderly are especially vulnerable to foot problems which, when left untreated, can result in years of restricted mobility, dependence, pain, and anxiety. Hardest hit are persons living in inner city and rural communities who, because of a critical shortage of podiatric physicians, are unable to obtain comprehensive podiatric health care services which can effectively address the broad range of patient complaints and diagnoses.

In light of the dramatic increases projected for this segment of the population, the Committee believes that efforts must be undertaken to ensure greater access to foot care in medically underserved areas. To that end, projects supported by funds from the public and private sectors should be initiated which demonstrate the benefits of providing: (1) residency training, including trainee support, in podiatric primary care; and (2) educational strategies to address the geographic maldistribution of podiatric physicians.

TRAINING IN ALLIED HEALTH

The Committee has been aware of the worsening shortage of allied health professionals and is concerned about the potential adverse effects of these shortages on the quality and availability of health care. A report recently issued by the Institute of Medicine documents the critical need for additional allied health personnel, and these shortages are expected to intensify for the remainder of this decade and through the year 2020. This report further predicts that growth in the number of jobs for allied health professionals will substantially exceed the nation's average growth rate for new jobs. There are too few educational programs to prepare these practitioners, and a critical shortage exists among faculty to teach in these programs. The Committee sought to respond to this growing problem by initiating a new set of programs under Title VII to support the training of allied health professionals at all levels, to increase the number of allied health faculty, and to improve allied health curricula.

A grants and contract program is established in S. 2229 to: plan, develop and evaluate projects to strengthen the effectiveness of

allied health administrative personnel, program directors, and faculty; expand student enrollments in those disciplines in greatest demand and whose services most impact the elderly such as physical and occupational therapy; initiate interdisciplinary training programs that promote interaction of allied health practitioners in geriatric assessment and the rehabilitation of the elderly; establish demonstration centers to emphasize innovative models to link allied health professionals' clinical practice, education, and research; strengthen curriculum units to include knowledge and practice prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics; and, support recruitment and retention activities specifically for minority and disadvantaged students. S. 2229 provides authority for \$4.8 million in fiscal year 1989, and \$5 million in each of the fiscal years 1990 and 1991 for these grants and contracts.

Beyond the need for program support, the Committee recognizes the importance of support for students in allied health training programs. Traineeships will be made available to allied health students enrolled in entry level programs with a priority designated for those programs which prepare personnel to meet the rehabilitation needs of the elderly population. S. 2229 provides \$9 million in fiscal year 1989, and \$10 million in each of the fiscal years 1990 and 1991 for traineeships.

Traineeships and fellowships will also be provided for advanced training of allied health personnel who plan to teach and conduct research in an allied health, or to post doctoral students who are continuing specialized study and research. Grants will be provided to support projects to develop, expand, and operate doctoral programs for advanced specialty training in allied health. The Secretary will determine those fields of greatest priority to be targeted for grant support based on national or regional shortages of practitioners and faculty, and those fields that have a significant role in the care and rehabilitation of the elderly. S. 2229 provides authority for \$5 million in fiscal years 1989 and 1990, and \$6 million for fiscal year 1991. The Committee has further stipulated that funds appropriated under this authority shall be awarded preferentially to training centers for the allied health professions.

The Committee considers a data collection and reporting system on the allied health professions personnel to be critical to the effort to plan and design a sound health manpower policy for the years to come. The recently issued Institute of Medicine report on the Allied Health professions contained the recommendation for more complete data on the supply and demand for various allied health disciplines. Consistent with this belief, S. 2229 contains new authority to support a unified allied health professions data system. On an annual basis, the Secretary shall prepare a report on the demand and supply of allied health professionals. Data is expected to include the most current information concerning the supply, distribution, and utilization of allied health practitioners and faculty. All allied health fields shall be included in the data collection and analysis, beyond those specifically noted in the Institute of Medicine report. Dental hygiene, for example, was not one of the fields chosen for study by the Institute of Medicine. However, all allied health disciplines shall be analyzed in this data reporting system.

To support this data collection system, S. 2229 provides \$1.2 million in fiscal year 1989, \$2 million in fiscal year 1990, and \$3 million in fiscal year 1991. The Committee encourages the cooperative involvement of all the various nonprofit entities involved in allied health education and training in this data collection effort.

The Committee also believes that creation of a Council on Allied Health Education may assist in providing leadership in improving allied health professions training, tracking the supply of professionals and monitoring the continuing needs among different allied health fields. The Council would be expected to make recommendations on issues related to allied health education, including current and future adequacies of supply, both of practitioners and faculty. The Council will monitor trends in the health care system and how those trends impact the allied health professions, and will make recommendations to the President and Congress on means to improve allied health training efforts.

MISCELLANEOUS PROVISIONS

The Committee recognizes the important contributions of the nation's schools of public health, and considers them a national resource in our efforts to reduce infant mortality, promote healthy behaviors, reduce environmental pollution, and reduce the spread of the deadly AIDS virus. Capitation for all health professions schools was authorized in the 1970's to stimulate an increase in the number of health professionals deemed in short supply at that time. By 1981, studies showed that the nation enjoyed a near adequate supply of health professionals, except for public health. Capitation was retained for schools of public health because Congress maintained that shortages of public health professionals continued to exist. These same shortages exist today.

The loss of capitation support for the nation's 24 schools of public health would create serious financial strain for some schools which would damage their ability to produce much need public health professionals. Recognizing this reality, the Committee has maintained the capitation program for schools of public health. Authority has been provided for \$5 million in fiscal year 1989, \$6 million year 1990, and \$7 million in fiscal year 1991.

Area Health Education Centers [AHECs] around the country have served to encourage health providers to practice in medically underserved areas, provide liaison and continuing education to health care providers located in remote areas, introduce primary care clinical experiences into the curricula of many health profession schools, and undertake successful efforts to recruit minority and disadvantaged students into health professions schools. The original program providing a limited period of federal assistance, with the hope of eventual self-sufficiency has proven to be successful, and the Committee fully supports the AHEC concept. As the nation's health care needs have changed over time, AHEC activities have evolved in response to local and state demands.

S. 2229 maintains the authority for the AHEC program, and adds the requirement that AHECs initiate training of personnel to offer maternal and child health services, including oral health and screening, in underserved areas. Priority in awarding any new

AHEC contracts will be given to programs that will train personnel to provide such services along the border between the United States and Mexico, in frontier areas, the Caribbean Basin, the Pacific Basin, and in areas in which the rate of infant mortality and low birthweight are significantly higher than the national average. The Committee considers the AHEC program an excellent means of training health professionals in ways to reduce infant mortality and low birthweight, and believes that special attention needs to be directed to underserved areas. The distributed network of health professions support and education linked to academic medical centers represents an effective tool to reduce the unnecessarily high rates of infant mortality and low birthweight all across the United States. S. 2229 provides authority for \$22 million for each of the fiscal years 1989 through 1991 for the AHEC program. At least \$3 million of the amounts appropriated each year shall be made available for contracts with AHEC's providing training in maternal and child health services.

Section 788 has been renamed "Special Projects", and revised to include authority for: grants to 2-year schools of medicine; grants and contracts to health professions schools and other entities for projects in faculty and curriculum development, and the development of new clinical training sites; grants and contracts to support training in preventive medicine, including support for residents; and, grants and contracts to support the training of physician assistants. Both the programs to support training in preventive medicine and the training of physician assistants are currently contained in separate sections under Title VII. The Committee chose to include these programs under the Special Projects section not because of any perception of lessened importance, but in an effort to streamline and codify all the programs under Title VII. The Committee fully recognizes the importance of Federal support of preventive medicine and physician assistant training programs as vital resources in our efforts to expand access to and improve the quality of medical care. To support programs under Section 788, S. 2229 provides authority for \$8 million for each of the fiscal years 1989 through 1991. Of the amounts appropriated, at least 10 percent shall be reserved for grants to 2-year schools of medicine.

S. 2229 further clarifies that Grants for Minority Education, as authorized under Public Law 100-97, shall be provided only to health professions schools which received an Advanced Financial Distress Assistance grant in fiscal year 1987. This section of S. 2229 re-asserts the Committee's intent in passing Public Law 100-97, to provide support to health professions schools that have experienced severe financial difficulty and have proven to be valuable national resources in meeting the nation's health manpower needs.

The grant and traineeship authority to support graduate educational programs in health administration, health planning and hospital administration has been maintained. Grants may be awarded to health professions schools, including graduate schools of social work but excluding schools of public health. Authority is provided for \$500,000 for each of the fiscal years 1989 through 1990.

The Committee has been impressed with the initial analyses and recommendations of the Council on Graduate Medicine Education. To support the administrative function of the Council, and provide

for further analysis, S. 2229 provides \$2 million for each of the fiscal years 1989 through 1991 to carry out the operation of the Council as currently authorized under Section 799.

Finally, S. 2229 directs the Secretary to contact the chief executive officer of each state and territory, and the Mayor of the District of Columbia, and request an assessment of the health manpower needs of each state, territory and the District of Columbia. Health manpower needs, including shortages and excesses, shall be reported both by discipline and by specialty with disciplines. The Secretary shall compile, analyze this information, and prepare and submit a report to the appropriate Committees of Congress no later than October 1, 1991.

V. COMMITTEE ACTION

S. 2229 was considered by the Committee on July 14, 1988, and reported favorably with several amendments by unanimous vote.

VI. COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 25, 1988.

HON. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached revised cost estimate for S. 2229, the Health Professional Reauthorizations Act of 1988, as ordered reported by the Senate Committee on Labor and Human Resources on July 14, 1988.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

C.G. NUCKOLS
(For James L. Blum, Acting Director).

Attachment.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2229.
2. Bill title: Health Professional Reauthorization Act of 1988.
3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on July 14, 1988.
4. Bill purpose: To amend Title VII of the Public Health Service Act to reauthorize programs concerning health research and teaching facilities, and training of professional health personnel, and for other purposes.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Estimated authorization levels:					
Student loans	15	16	17		

[By fiscal years, in millions of dollars]

	1989	1990	1991	1992	1993
Traineeships	5	5	5		
Scholarships	30	30	30		
School capitation grants	5	6	7		
Project grants to establish family medicine department	7	7	7		
Area health education centers	22	22	22		
Training grants for general internal medicine and general pediatrics	22	22	22		
Family medicine	40	40	40		
General dentistry	10	10	10		
Educational assistance to individuals with disadvantaged backgrounds	32	34	36		
Retention program for individuals with disadvantaged backgrounds		2	2		
Special project: Grant to 2-year schools	8	8	8		
Geriatric education centers	12	15	20		
Geriatric training	10	15	20		
Grants for graduate programs in health administration	2	2	2		
Traineeships for students in other graduate programs	1	1	1		
Allied health project grant and contracts	4	5	5		
Allied health student traineeships	9	10	10		
Traineeships for advanced training for allied health personnel	5	5	6		
Allied health professions data	1	2	3		
Council on Allied Health Education	2	2	2		
Council on Graduate Medical Education	2	2	2		
Total estimated authorization levels	243	260	276		
Total estimated outlays	73	195	251	189	60

Details in table may not add to total due to rounding.
The costs of this bill fall within budget function 550.

Basis of Estimate

All authorization levels were specified in S. 2229 except for the council on allied health education. This council performs the same functions as the council on graduate medical education. The authorization level specified for the graduate medical education council was used for both councils.

The CBO assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

6. Estimated cost to State and local Government: None.

7. Estimate comparison: None.

8. Previous CBO estimate: The CBO prepared an estimate on August 5, 1988 for S. 2229, the Health Professions Reauthorizations Act of 1988, as ordered reported by the Senate Committee on Labor and Human Resources on July 14, 1988. The original estimate incorrectly included authorization levels of \$325 million, \$375 million, and \$450 million in fiscal 1989, 1990, and 1991, respectively, for the Federal Loan Insurance Program. These amounts are actually loan limits which constrain the total principal amount of Federal loan insurance available in each fiscal year. The only cost to the federal government resulting from this loan insurance would occur when loans default. Defaults from these new loans are not expected within the five-year projection period.

9. Estimate prepared by: Lori Housman.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

VII. REGULATORY IMPACT STATEMENT

The Committee has determined that there will be minimal or no increase in the regulatory burden of paperwork as a direct result of this bill.

VIII. SECTION-BY-SECTION ANALYSIS

The bill provides that the Act may be cited as the "Health Professions Reauthorization Act of 1988."

TITLE I—STUDENT ASSISTANCE

Definitions

Section 101 of the bill amends two definitions in section 701 of the Act. The definition of the term "school of allied health" is amended to include, for the purposes of the Health Professions Student Loan (HPSL) and Health Education Assistance Loan [HEAL] programs, an allied health training program of a qualified hospital. The term "allied health professionals" is amended to exclude from the definition individuals with a degree in social work.

Scope and Duration of Federal Loan Insurance Program

Section 102 of the bill amends section 728(a) of the Act to extend the authority for Federal loan insurance for the HEAL loan program for three years, through FY 1991, at total principal amounts of \$325 million for FY 1989, \$375 million for FY 1990, and \$450 million for FY 1991. This section also provides that the total principal amount of Federal loan insurance available in each fiscal year shall be granted by the Secretary without regard to any apportionment or other similar limitation.

Eligibility of Student Borrowers and Terms of Federally Insured Loans

Section 103 of the bill amends section 731(a) of the Act to provide that interest on the unpaid balance of HEAL loans shall be compounded not more frequently than semiannually.

Default of Borrower Under Federal Loan Insurance Program

Section 104 of the bill amends section 733 of the Act to permit the Secretary to sell notes or other evidence of defaulted loans without recourse to eligible lenders (or other entities that the Secretary determines are capable of dealing in such loans). In addition, this section provides that a State statute of limitations shall not bar an action by an insurance beneficiary against a borrower if such action is begun within 6 years of the date of default (excluding any period for which the statute of limitations is tolled). This provision is applicable only to actions begun after the date of enactment of this legislation.

School of Allied Health

Section 105 of the bill amends the definition of the term "school of allied health" in section 737(4) of the Act to include in the definition a program which leads to a baccalaureate or higher degree.

Loan Agreements

Section 106 of the bill amends section 740 of the Act to include as eligible institutions in the Health Professions Student Loan [HPSL] program schools of chiropractic, schools of allied health, and public or nonprofit private institutions that have graduate programs in clinical psychology, and to include students pursuing a doctor of chiropractic degree, a bachelor of science or higher degree in an allied health field, or doctoral degree in clinical psychology as eligible students for loans under the program. This provision will become effective with respect to loans made on or after the date of enactment of this legislation.

Loan Provisions

Section 107 of the bill amends section 741 of the Act to include in the HPSL program students pursuing the doctor of chiropractic degree, doctoral degree in clinical psychology, or bachelor of science or higher degree in an allied health field. This section also amends the provision in section 741(f) of the Act which directs the Secretary to make payments on HPSL loans for persons who practice for the National Health Service Corps in health manpower shortage areas. Under the amendment in this section, the Secretary will make loan payments for any person who serves as full time faculty member not receiving a stipend or fellowship in a qualified health professions school. Section 107 also amends section 741 of the Act to provide that a State statute of limitations shall not bar an action by a school against a borrower if such action is begun within 6 years of the date of default (excluding any period for which the statute of limitations is tolled). This amendment shall apply only to actions begun under section 741 after the date of enactment of this legislation.

Authorization of Appropriations

Section 108 of the bill amends section 742 of the Act to authorize appropriations of \$15 million for FY 1989, \$16 million for FY 1990, and \$17 million for FY 1991, for the purpose of making Federal capital contributions into student loan funds established under the HPSL program. At least 30 percent of the amounts appropriated each year must be allocated to schools of allied health.

Distribution of Assets From Loan Funds

Section 109 of the bill amends section 743 of the Act by changing from 1991 to 1994 the date for the capital distribution of the balance of the loan funds established in each school under the HPSL program.

Traineeships

Section 110 of the bill amends Part C of title VII of the Act by adding a new section 751—Public Health Traineeship. This new

section authorizes the Secretary to make grants to accredited schools of public health to provide traineeships. Applications will be made, and traineeships awarded, in accordance with regulations. Traineeships will provide for tuition and fees and such stipends and allowances as the Secretary may deem necessary. In awarding traineeships under this section, each applicant school will assure that at least 80 percent of the funds received will go to individuals who have previously received a baccalaureate degree; or who are pursuing a course of study in—(1) biostatistics or epidemiology; (2) health administration, health planning, or health policy analysis and planning; (3) environmental or occupational health; (4) dietetics and nutrition; (5) preventive medicine or dentistry; or (6) maternal and child health. Section 110 authorizes appropriations of \$5 million for each of FY 1989 through 1991 for public health traineeships under the new section 751.

Health Professions Scholarships

Section 111 of the bill changes the title of subpart IV of part C of title VII of the Act from "National Health Service Corps Scholarships" to "Health Professions Scholarship", and strikes "Subpart V—Other Scholarships." Section 111 also amends the authority in section 758 for Exceptional Financial Need Scholarships to remove the limitation of such scholarships to first-year students only, and to make students at chiropractic schools eligible for such scholarships. The section amends provisions governing the amount of assistance to provide that a scholarship may consist of all or part of the tuition and other educational expenses, and a monthly stipend not in excess of \$400. Section 111 authorizes appropriations of \$30 million for each of FY 1989 through 1991 for exceptional financial need scholarships under section 758 as amended.

TITLE II—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

Capitation Grants for Schools of Public Health

Section 201 of the bill amends section 770 of the Act to extend through FY 1991 the program of capitation grants to schools of public health. The section includes a new subsection (e) of section 770 requiring each applicant school, in carrying out its functions as a school of public health during the fiscal year for which a grant is sought, to spend at least as much that year in non-Federal funds (other than funds for construction) as it spent for such purposes (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the one for which a grant is sought. Section 201 authorizes appropriations of \$5 million for FY 1989, \$6 million for FY 1990, and \$7 million for FY 1991 for the capitation grants program.

Eligibility for Capitation Grants

Section 202 of the bill repeals section 771 of the Act—Eligibility for Capitation Grants.

Application for Capitation Grants

Section 203 of the bill repeals subsection (e) of section 772 of the Act—Application for Capitation Grants.

TITLE III—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

Project Grants for Establishment of Departments of Family Medicine

Section 301 of the bill authorizes appropriations for section 780 of the Act—Project Grants for Establishment of Departments of Family Medicine—of \$7 million for each of FY 1989 through 1991.

Area Health Education Centers

Section 302(1) (A) and (B) of the bill amend section 781 of the Act to authorize the Secretary to enter into contracts to establish and support area health education center [AHEC] programs that include training of personnel to offer maternal health services and child health services, including oral health screening and treatment, in underserved areas. Priority in awarding such contracts will be given to programs that will train personnel to provide such services in areas along the border between the United States and Mexico, in frontier areas, the Caribbean Basin, the Pacific Basin, and in areas in which the rate of infant mortality and low birth-weight are disproportionately higher than such rates for the State in which such area is located.

Section 302(1) (C) and (D) amend section 781 to delete two types of AHEC projects which under existing law may receive assistance under the authority, and add a new type of project. Deleted are: (1) projects to encourage regionalization of educational responsibilities of health professions schools, and (2) projects to prepare National Health Service Corps obligated health professionals to effectively provide care in a health manpower shortage area. This section adds projects to increase the number of health care providers in health manpower shortage areas as a new type of AHEC project which may receive assistance under the authority.

Section 302(1)(E) of the bill provides for the waiver of the requirement that an AHEC be neither a school of medicine or osteopathy, the parent institution of such a school, nor a branch campus or other subunit, or a consortium of such entities to be eligible to enter into a contract under this section. Under the amendment of this section, this requirement may be waived if, at the time of initial application, the AHEC is an operating program supported both by appropriations of a State legislature and local resources.

Section 302(2) amends subsection (c) of section 781 to change the requirements for medical or osteopathic schools which provide training in maternal and child health services in AHECs authorized under this legislation. Such schools shall be required to provide for active participation in the AHEC program by person associated with the school's administration and with the departments (or specialties) of pediatrics, obstetrics and gynecology, family medicine, and dentistry. The participation of the departments (or specialties) of internal medicine and psychiatry, as required with existing AHECs, will not be required. Schools participating in AHECs providing training in maternal and child health services will not be required to provide that no less than 10 percent of all undergraduate clinical education will be conducted in the AHEC and at locations sponsored by the AHEC, as is required for existing AHEC sponsoring schools.

Section 302(3) amends the requirements for an AHEC as described in subsection (d)(2) of section 781. Under this amendment, an AHEC providing training in maternal and child health services will not be required to provide for or conduct rotating osteopathic internship or medical residency training in family medicine, general internal medicine, or general pediatrics, as required for AHECs under current law. Instead, this new type of AHEC will be required to provide for or conduct a medical residency program in obstetrics or gynecology in which no fewer than six individuals are enrolled in first year positions. Section 302(4) includes nurse midwives in the interdisciplinary training and practice that AHECs are required to conduct.

Section 302(5) amends section 781(e)(1) of the Act to require that the Secretary assure that at least 75 percent of the total funds provided to any school under this authority be spent by an AHEC in the development and operation of projects described in section 781(a) as amended.

Section 302(6) authorizes appropriations for the AHEC program of \$22 million for each of FY 1989 through 1991. As provided in current law, the Secretary shall obligate not more than 10 percent of the amount appropriated each year for contracts under subsection (a)(2). At least \$3 million shall be available each year for contracts for AHECs providing training for maternal and child health services, as authorized by this legislation.

Grants for Training, Traineeships, and Fellowships in General Internal Medicine and General Pediatrics

Section 303 of the bill amends section 784 of the Act to include a priority among schools applying for grants for training, traineeships, and fellowships in general internal medicine and general pediatrics for such schools which demonstrate coordination of curriculum development and resident teaching activities with departments of family medicine where there is a department within the same school. Section 303 authorizes appropriations for the section 784 program of \$22 million for each of FY 1989 through 1991.

Family Medicine and General Practice of Dentistry

Section 304 of the bill amends section 786 of the Act to authorize contracts with schools of dentistry, in addition to the already-authorized grants, for residency programs and traineeships and fellowships in the general practice of dentistry. The section also amends section 786 to include a priority among schools applying for grants and contracts for family medicine programs for such schools which demonstrate coordination of curriculum development and resident teaching activities with departments of internal medicine and pediatrics where there is a department within the same school, and for family medicine residency or internship programs. Section 304 authorizes appropriations for section 786 of \$40 million for each of FY 1989 through 1991 for family medicine programs and \$10 million for each of the 3 years for general practice of dentistry programs.

Educational Assistance to Individuals from Disadvantaged Backgrounds

Section 305(a) of the bill amends the authority for the Disadvantaged Assistance program under section 787 of the Act. The bill amends the list of uses for which a grantee school or other entity may use grants and contracts under this authority to delete one item and add a new one. Grantees will no longer be permitted to use funds under this authority for publicizing of sources of financial aid available to disadvantaged students enrolled in a school or for undertaking training to qualify them to enroll. Under the amendment of this bill, grantees will be able to use grant or contract support to pay stipends to students enrolled in structured summer academic enrichment programs designed to support activities under this authority. The bill authorizes also the payment of stipends as the Secretary may determine to disadvantaged students at schools of chiropractic, in addition to those at schools of medicine, osteopathy, or dentistry, as currently authorized. Section 305 requires that all individuals participating in activities supported by a grant under this authority must have completed the 10th grade of high school, or its equivalent.

Section 305(a) amends section 787 to require that health professions schools that receive a grant under this authority to assist disadvantaged students shall, during the 3-year period beginning on the date of award of the grant, increase their first year enrollments of individuals from disadvantaged backgrounds by at least 20 percent. If such an increase is not attained after the 3-year period, the grant recipient shall be ineligible for any subsequent grant under this authority until the 20-percent increase is achieved and maintained. The requirement for a 20-percent increase in such enrollment is applicable only to those schools that have a total enrollment of individuals from disadvantaged backgrounds that is less than 200 percent of the national average total enrollment of such individuals in all schools of each health profession discipline. Determination of first year and total enrollment of individuals from disadvantaged backgrounds shall be made by the Secretary in accordance with section 708.

Section 305(a) authorizes appropriations for the Disadvantaged Assistance program in section 787 of \$32 million for FY 1989, \$34 million for FY 1990, and \$36 million for FY 1991. At least 80 percent of the funds appropriated in any year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts for the primary purposes of informing individuals about the existence and general nature of health careers. At least 20 percent of the funds appropriated in a year shall be obligated for stipends to students enrolled in structured summer academic enrichment programs authorized under this legislation.

Retention Program for Health Professions Schools with Individuals from Disadvantaged Backgrounds

Section 305(b) of the bill authorizes a new section 787A of the Act to establish a supplemental grant program to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry,

pharmacy, or public health that demonstrate sufficient graduation of students from disadvantaged backgrounds. An institution shall be eligible for funds under this authority if its disadvantaged graduate figure exceeds its nondisadvantaged graduate figure. The disadvantaged and nondisadvantaged graduate figures will be determined each year by formulas. The disadvantaged graduate figure will be determined by dividing the number of students from disadvantaged backgrounds who graduated as part of a class by the number of such students who matriculated as part of such class. The nondisadvantaged graduate figure will be determined by multiplying by 0.9 the quotient determined by dividing the number of students from nondisadvantaged backgrounds who graduated from the institution as part of a class by the number of such students who matriculated as part of the class. To determine the amount of a grant to an eligible institution, the quotient determined by dividing the total amount of funds for this authority for the preceding fiscal year by the number of students from disadvantaged backgrounds who graduated from eligible institutions during that year will be multiplied by the number of students from disadvantaged backgrounds who graduated from the eligible institution during that preceding fiscal year. Institutions will use funds received under this authority to provide financial aid services for individuals from disadvantaged backgrounds who choose to attend such institution, and for retention services for individuals from disadvantaged backgrounds. Section 305(b) authorizes appropriations of \$2 million for each of FY 1989 through 1991 for this program.

Section 305(b) also authorizes a new section 787B of the Act to require the Secretary, not later than September 30, 1991, to prepare and submit, to the House Committee on Energy and Commerce and the Senate Committee on Labor and Human Resources, a report that develops a tracking system to evaluate: (1) the success of the programs established under sections 787 and 787A in enhancing the professional education of individuals from disadvantaged backgrounds, and (2) the gains experienced by institutions in the retention of students from disadvantaged backgrounds.

Special Projects

Section 306(a) of the bill amends section 788 of the Act and renames it as "Special Projects." Subsection (a) of section 788 as renamed and amended is the existing authority for grants to 2-year schools of medicine. Subsection (b) of section 788 as amended authorizes grants and contracts to health professions institutions or other entities for development and implementation of model projects in areas such as faculty and curriculum development, and development of new clinical training sites. Priority in awarding such grants and contracts will be given to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, public health, chiropractic, allied health, and to graduate programs at public and nonprofit schools in health administration and clinical psychology. Funds will be allocated to each profession for award within that profession on the basis of competitive applications. Investigator-initiated projects should be encouraged. Funding priorities may be determined by the Secretary on consultation with health professions schools and the National Advisory Council on

Health Professions Education. Any application for a grant under this subsection will be subject to appropriate peer review. At least 75 percent of the amounts available for grants and contracts under this subsection shall be obligated for grants to and contracts with health professions institutions and allied health professions institutions. Applications will be subject to peer review. The Secretary may not approve or disapprove an application for a grant to a health professions or allied health professions institution unless the Secretary has received recommendations from the appropriate peer review group and has consulted with the National Advisory Council on Health Professions Education with respect to the application.

Subsection (c) of section 788 as amended authorizes grants and contracts for training in preventive medicine (currently authorized under section 793 of the Act). Under this authority, the Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, and public health for projects to plan and develop new residency training programs and to maintain or improve existing residency training in preventive medicine; and to provide financial assistance to residency trainees enrolled in such programs. Schools may use funds committed by State, local, or county public health officers or matching amounts for Federal grant funds for residency training programs in preventive medicine.

Subsection (d) of section 788 as amended authorizes grants and contracts for projects to plan, develop, and operate or maintain programs for the training of physician assistants (currently authorized under section 783 of the Act).

Section 306(a) of the bill authorizes appropriations of \$8 million for each of FY 1989 through 1991 for special projects under section 788 of the Act as amended. Of the amount appropriated, 10 percent shall be reserved for grants to 2-year medical schools under section 788(a). Funds provided under this section shall remain available until expended without regard to fiscal year limitation.

Geriatric Education Centers and Geriatric Training

Section 306(b) of the bill authorizes a new section 789 of the Act—Geriatric Education Centers and Geriatric Training. Subsection (a) of the new section 789 authorizes grants and contracts to assist in meeting the costs of projects in geriatric education (currently authorized under section 788(d) of the Act.) Subsection (b) of the new section 789 authorizes grants and contracts to provide support (including residencies, traineeships, and fellowships) for geriatric training projects to train physicians and dentists who plan to teach geriatric medicine or geriatric dentistry (currently authorized under section 788(e) of the Act). Section 306(b) of the bill authorizes appropriations for geriatric education centers under section 789(a) of \$12 million for FY 1989, \$15 million for FY 1990, and \$20 million for FY 1991. For geriatric training under section 789(b), the section authorizes appropriations of \$10 million, \$15 million, and \$20 million for the three years.

Section 306(c) of the bill repeals section 783 of the Act—Programs for Physician Assistants.

Grants for Minority Education

Section 307 of the bill redesignates section 788A of the Act—Grants for Minority Education—as authorized under Public Law 100-97, as section 782. Subsection (c) of section 782 as redesignated is amended to provide that only health professions schools as defined in section 701(4) of the Act which received a contract for FY 1987 under section 788A will be eligible for a grant under section 782.

Advanced Financial Distress Assistance

Section 308 of the bill redesignates section 788B of the Act—Advanced Financial Distress Assistance—as section 788A.

TITLE IV—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

Grants and Traineeships for Graduate Programs

Section 401(a) of the bill renames section 791 of the Act—Grants for Graduate Programs in Health Administration—as “Grants and Traineeships for Graduate Program.” Subsection (a) of section 791 as renamed authorizes grants to educational entities (including schools of social work and excluding accredited schools of public health) to support graduate educational programs in health administration, hospital administration, and health planning (currently authorized under section 791). This section repeals the provision in subsection (b) of the existing authority for determining the amount of such grant. Subsection (b) of section 791 as renamed authorizes grants for traineeships for students in other graduate programs. Grants will be awarded to educational entities, including graduate schools of social work but excluding accredited schools of public health, that offer a program in health administration, hospital administration, or health policy analysis and planning (currently authorized under section 791A).

Section 791(c) authorizes appropriations of \$1.5 million for each of FY 1989 through 1991 for grants for graduate programs in health administration under subsection (a) and \$500,000 for each of FY 1989 through 1991 for traineeships in other graduate programs under subsection (b).

Section 401(b) of the bill amends subpart I of part G of title VII of the Act by repealing sections 791A, 792, and 793.

Statistics and Reports

Section 402 of the bill amends section 794(c) of the Act by changing references to the House Committee on Interstate and Foreign Commerce and the Senate Committee on Labor and Public Welfare to references to the Committee on Energy and Commerce and the Committee on Labor and Human Resources.

Allied Health Project Grants and Contracts

Section 403 of the bill amends the authority under section 796 of the Act for allied health project grants and contracts. Under the authority as amended, the Secretary shall make grants to and enter into contracts with eligible entities to assist them in meeting the costs of planning, developing, establishing, operating, and eval-

uating projects relating to allied health education programs. Such projects will include:

(1) Improving and strengthening the effectiveness of allied health administration, program directors, faculty, and clinical faculty;

(2) Improving and expanding program enrollments in those professions in greatest demand and whose services most impact the elderly;

(3) Interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly;

(4) Demonstration centers to emphasize innovative models to link allied health profession clinical practice, education, and research;

(5) Adding and strengthening curriculum units in allied health programs to include knowledge and practice concerning prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics;

(6) The recruitment of individuals into allied health professions, including projects for—

(A) the identification and recruitment of highly qualified individuals, including the provision of educational and work experiences for recruits at the secondary and collegiate levels;

(B) the identification and recruitment of minority and disadvantaged students, including the provision of remedial and tutorial services prior and subsequent to admission, the provision of work-study programs for secondary students, and recruitment activities directed toward primary school students; and

(C) the coordination and improvement of recruitment efforts among official and voluntary agencies and institutions, including official departments of education at the city, county, and State, or regional level.

Section 403 of the bill amends the definition of "eligible entities" under section 796 to mean entities which are—

(1) Schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe; or

(2) Other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects under this authority.

Section 403 authorizes appropriations of \$4.8 million for FY 1989 and \$5 million for each of FY 1990 and 1991 for grants and contracts under section 796. All grants made with funds appropriated under this authority shall preferentially be awarded to training centers for the allied health professions.

Allied Health Student Traineeships

Section 404 of the bill establishes a new section 796A of the Act to authorize the Secretary to make grants to, and enter into contracts with, public or nonprofit private schools of allied health or other education entities offering an allied health program to assist

students in meeting the costs of entry level education. Funds awarded shall be used for tuition, fees, and such stipends and allowances for trainees as the Secretary may consider necessary. In making grants, the Secretary shall ensure that 80 percent of the funds available shall be used to enable individuals to participate in allied health programs which prepare personnel to meet the rehabilitation needs of the elderly population. This section provides that, notwithstanding any other provision of law, any payment to, or on behalf of, a participating student of tuition under this section shall be exempt from taxation. Section 404 authorizes appropriations of \$9 million for FY 1989 and \$10 million for each of FY 1990 and 1991 for traineeships under section 796A.

Traineeships for Advanced Training of Allied Health Personnel

Section 405 of the bill amends the authority under section 797 of the Act for traineeships for advanced training of allied health personnel. Under the authority as amended, the Secretary may make grants to and enter into contracts with public or nonprofit private educational entities for projects to—

- (1) Plan, develop, establish, expand, and operate doctoral programs for the advanced specialty training of allied health professionals who plan to teach and conduct research in an allied health training program; and

- (2) Provide financial assistance in the form of traineeships or fellowships to doctoral students who are participants in any such program and who plan to teach and conduct research in an allied health discipline or to postdoctoral students who are continuing specialized study and research in an allied health discipline.

The Secretary shall limit grants and contracts under this authority to allied health fields or specialties determined by the Secretary to have—

- (1) The most significant national or regional shortages of practitioners;

- (2) Insufficient numbers of qualified faculty in entry level or advanced educational programs; and

- (3) A significant role in the care and rehabilitation of patients and clients who are elderly or disabled.

Section 405 authorizes appropriations of \$5 million for each of FY 1989 and 1990, and \$6 million for FY 1991 for section 797 as amended. Funds appropriated under this authority shall be awarded preferentially to training centers for the allied health professions. Funds appropriated for any fiscal year shall remain available until expended or through FY 1991.

Allied Health Professions Data

Section 406 of the bill amends section 798 of the Act to provide authority to collect and report allied health professions data. Section 798 as amended authorizes grants to, or contracts and cooperative agreements with, and technical assistance to, a nonprofit entity in order to establish a uniform allied health professions data reporting system. Such system will collect, compile, and analyze data on allied health professions personnel. Data will include the most current information concerning supply, distribution, and utili-

zation of allied health practitioners and faculty, including physical therapy, occupational therapy, respiratory therapy, speech pathology and audiology, medical records, dietetics, medical technology, and radiological technology. Section 798 as amended directs the Secretary, not later than 1 year after the enactment of this legislation, and each year thereafter, to prepare and submit, to the President, the House Committee on Energy and Commerce, and the Senate Committee on Labor and Human Resources, a report on the status and development of the uniform allied health profession data reporting system and activities carried out under this section. Not later than six months after the date of enactment and annually thereafter, the Secretary shall also prepare and submit a report that includes a description and analysis of data collected under this section. This section authorizes appropriations of \$1.2 million for FY 1989, \$2 million for FY 1990, and \$3 million for FY 1991 for section 798 as amended. Funds shall remain available until expended.

Council on Allied Health Education

Section 407 of the bill amends subpart II of part G of title VII of the Act to add a new section 798A—"Council on Allied Health Education." This section establishes such a Council, which will meet twice annually to provide advice and make recommendations to the Secretary and to the Senate Committees on Labor and Human Resources and on Finance and the House Committees on Energy and Commerce and on Ways and Means on issues related to allied health education, such as—

(A) The supply and distribution of allied health personnel in the U.S.;

(B) Current and future shortages or excess of allied health personnel;

(C) Appropriate Federal policies on such matters, including policies concerning changes in the financing of undergraduate and graduate allied health programs and changes in the types of allied health education;

(D) Appropriate efforts to be carried out by health care facilities, schools of allied health, and professional associations on such matters, including efforts for changes in undergraduate and graduate allied health education programs;

(E) Deficiencies and needs for improvements in existing data bases concerning the supply and distribution of training programs for allied health in the U.S. and steps that should be taken to eliminate those deficiencies; and

(F) Problems, and recommendations for their resolution, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry.

The Council will encourage entities providing allied health education to conduct activities to voluntarily achieve the Council's recommendations under (D). The Council will be composed of the Assistant Secretary for Health or designee; the Administrator of the Health Care Financing Administration or designee; the chief medical director of the Veterans Administration; seven members appointed by the Secretary including representatives of physical, oc-

cupational, and respiratory therapy, dietetics, clinical laboratory personnel, dental hygiene, and medical records administration; and five members appointed by the Secretary that include representatives of schools of allied health, health care facility employers of allied health personnel, health insurers, and professional organizations representing the allied health professions. The section includes provisions governing operation of the Council, including length of term and time for appointment, election of chairman, quorum, vacancies, and compensation. The section authorizes the Council to collect information, hold hearings, sit and act either as a whole or by subcommittee, and request attendance and testimony of witnesses and the production of books, records, correspondence, memoranda, papers, and documents as the Council may consider available. It may request the cooperation and assistance of Federal departments, agencies, and instrumentalities; and they are authorized to provide such cooperation and assistance. The Council is directed to coordinate its activities under this section with the National Advisory Council on Health Professions Education under section 702 of the Act and with the activities of the Secretary under section 708. The Secretary shall, in cooperation with the Council and pursuant to its recommendations, take steps to eliminate deficiencies in the data base established under section 708 and make available in its reports such comprehensive data sets as are developed under this section. In the reports required under this section, the Council shall specify its activities during the period for which the report is made.

TITLE V—GRADUATE MEDICAL EDUCATION

Council on Graduate Medical Education

Section 501 of the bill amends section 799 of the Act to authorize appropriations of \$2 million for each of FY 1989 through 1991 to carry out the operations of the Council on Graduate Medical Education as authorized in section 799.

TITLE VI—MISCELLANEOUS

Obligated Service

Section 601 of the bill amends section 338C of the Act to include individuals receiving a degree from a school of clinical psychology in provisions governing obligated service for the National Health Service Corps.

Restriction on Appropriations

Section 602 of the bill amends part H of title VII of the Act by adding a new section 799A to provide that from amounts appropriated under title VII, at least \$13 million shall be used in each fiscal year to provide scholarships for full-time students of exceptional financial need under section 758.

Assessments of Health Manpower Shortages

Section 603 of the bill adds a new section 799B to the Act requiring the Secretary, not later than 18 months after the date of enactment of this legislation, to contact the chief executive officer of

each State and territory and the Mayor of the District of Columbia and request an assessment of the greatest health manpower shortages in each State, District, Commonwealth, or Territory. Shortages will be reported by discipline of health care providers and by allopathic and osteopathic specialty. The Secretary shall compile and analyze the information obtained and prepare and submit it to the appropriate Committees of Congress as part of the October 1, 1991, report required under section 708(d)(1) of the Act.

IX. CHANGES IN EXISTING LAW

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

* * * * *

TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

* * * * *

PART D—PRIMARY HEALTH CENTERS

* * * * *

SUBPART III—SCHOLARSHIP PROGRAM AND LOAN REPAYMENT PROGRAM

SECS. 388A-D. * * *

OBLIGATED SERVICE

SEC. 338C. (a) Except as provided in section 338D, each individual who has entered into a written contract with the Secretary under section 338A or 338B shall provide service in the full-time clinical practice of such individual's profession as a member of the Corps for the period of obligated service provided in such contract.

(b)(1) If an individual is required under subsection (a) to provide service as specified in section 338A(f)(1)(B)(iv) or 338B(f)(1)(B)(iv) (hereinafter in this subsection referred to as "obligated service"), the Secretary shall, not later than ninety days before the date described in paragraph (5), determine if the individual shall provide such service—

(A) as a member of the Corps who is a commissioned officer in the Regular or Reserve Corps of the Service or who is a civilian employee of the United States, or

(B) as a member of the Corps who is not such an officer or employee.

and shall notify such individual of such determination.

(2) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is commissioned

officer in the Service or a civilian employee of the United States, the Secretary shall, not later than sixty days before the date described in paragraph (5), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide obligated service as a commissioned officer in the Service, an individual shall notify the Secretary, not later than thirty days before the date described in paragraph (5), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint the individual as a commissioned officer of the regular or Reserve Corps of the Service and shall designate the individual as a member of the Corps.

(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Service, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint such individual as a civilian employee of the United States and designate the individual as a member of the Corps.

(4) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is not an employee of the United States, the Secretary shall, as soon as possible after the date described in paragraph (5), designate such individual as a member of the Corps to provide such service.

(5)(A) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, *clinical psychology*, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date on which the individual completes the training required for such degree, except that—

(i) at the request of such an individual with whom the Secretary has entered into a contract under section 338A prior to October 1, 1985, the Secretary shall defer such date until the end of the period of time (not to exceed the number of years specified in subparagraph (B) or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training; and

(ii) at the request of such an individual with whom the Secretary has entered into a contract under section 338A on or after October 1, 1985, the Secretary may defer such date in accordance with clause (i).

* * * * *

TITLE VII—HEALTH RESEARCH AND TEACHING FACILITIES AND TRAINING OF PROFESSIONAL HEALTH PERSONNEL

PART A—GENERAL PROVISIONS

DEFINITIONS

SEC. 701. For purposes of this title:

(1)-(9). * * *

(10) **[(A)]** *Except as provided in subparagraph (B), the term "school of allied health" means a public or nonprofit private college, junior college, or university—*

[(A)](i) *which provides, or can provide, programs of education to enable individuals to become allied health professionals or to provide additional training for allied health professionals;*

[(B)](ii) *which provides training for not less than a total of twenty persons in the allied health curricula;*

[(C)](iii) *which includes or is affiliated with a teaching hospital; and*

[(D)](iv) *which is accredited by a recognized body or bodies approved for such purposes by the Secretary of Education, or which provides to the Secretary satisfactory assurance by such accrediting body or bodies that reasonable progress is being made toward accreditation.*

(B) For purposes of loans made under subparts I and II of part C, the term "school of allied health" shall include a program of a hospital that meets the requirements of clauses (i), (iii), and (iv) of subparagraph (A).

(11) The term "State" includes, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(12) The term "Department" means the Department of Health and Human Services.

(13) The term "allied health professionals" means an individual—

(A) who has received a certificate, an associate's degree, a bachelor's degree, a master's degree, a doctoral degree, or postbaccalaureate training, in a science relating to health care;

(B) who shares in the responsibility for the delivery of health care services or related services, including—

(i) services relating to the identification, evaluation, and prevention of disease and disorders;

(ii) dietary and nutrition services;

(iii) health promotion services;

(iv) rehabilitation services; or

(v) health systems management services; and

(C) who has not received a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of pharmacy or an equivalent degree, a graduate degree in public health or an equivalent degree, a degree of doctor of chiropractic or an equivalent degree, a graduate degree in health administration or an equivalent degree, **[or]** a doctoral degree in clinical psychology or an equivalent degree.

lent degree [.] , or a degree in social work or an equivalent degree.

* * * * *

SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 728. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 737) to borrowers covered by Federal loan insurance under this subpart shall not exceed \$500,000,000 for the fiscal year ending September 30, 1978; \$510,000,000 for the fiscal year ending September 30, 1979; \$520,000,000 for the fiscal year ending September 30, 1980; and \$200,000,000 for the fiscal year ending September 30, 1982; \$225,000,000 for the fiscal year ending September 30, 1983; \$250,000,000 for the fiscal year ending September 30, 1984; \$250,000,000 for the fiscal year ending September 30, 1985; \$275,000,000 for the fiscal year ending September 30, 1986; \$290,000,000 for the fiscal year ending September 30, 1987; [and] \$305,000,000 for the fiscal year ending September 30, 1988; \$325,000,000 for the fiscal year ending September 30, 1989; \$375,000,000 for the fiscal year ending September 30, 1990; and \$450,000,000 for the fiscal year ending September 30, 1991. If the total amount of new loans made and installments paid pursuant to lines of credit in any fiscal year is less than the ceiling established for such year, the difference between the loans made and installments paid and the ceiling shall be carried over to the next fiscal year and added to the ceiling applicable to that fiscal year. Thereafter, Federal loan insurance pursuant to this subpart may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program or to obtain a loan under section 731(a)(1)(B) to pay interest on such prior loans; but no insurance may be granted for any loan made or installment paid after September 30, [1991] 1994, and for the next fiscal year. *The total principal amount of Federal loan insurance available in each fiscal year shall be granted by the Secretary without regard to any apportionment or other similar limitation.*

* * * * *

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED LOANS

SEC. 731. (a) A loan by an eligible lender shall be insurable by the Secretary under the provisions of this subpart only if—

(1) made to—

(A) a student who—

(i)(I) has been accepted for enrollment at an eligible institution, or (II) in the case of a student attending an eligible institution, is in good standing at that institution, as determined by the institution;

(ii) is or will be a full-time student (as defined in section 770(c)(2) (as such section was in effect on September 30, 1985)) at the eligible institution;

(iii) has agreed that all funds received under such loan shall be used solely for tuition, other reasonable educational expenses, including fees, books, and laboratory expenses, and reasonable living expenses, incurred by such students;

(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section; and

(v) in the case of a pharmacy student, has satisfactorily completed three years of training; or

(B) an individual who—

(i) has previously had a loan insured under this subpart when the individual was a full-time student at an eligible institution;

(ii) is in a period during which, pursuant to paragraph (2), the principal amount of such previous loan need not be paid;

(iii) has agreed that all funds received under the proposed loan shall be used solely for repayment of interest due on previous loans made under this subpart; and

(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, an endorsement may be required;

(B) provides for repayment of the principal amount of the loan in installments over a period of not less than 10 years (unless sooner repaid) nor more than 25 years beginning not earlier than 9 months nor later than 12 months after the date of—

(i) the date on which—

(I) the borrower ceases to be a participant in an accredited internship or residency program of not more than four years in duration;

(II) the borrower completes the fourth year of an accredited internship or residency program of more than four years in duration; or

(III) the borrower, if not a participant in a program described in subclause (I) or (II), ceases to carry, at an eligible institution, the normal full-time academic workload as determined by the institution; or

(ii) the date on which a borrower who is a graduate of an eligible institution ceases to be a participant in a fellowship training program not in excess of two years or a participant in a full-time educational activity not in excess of two years, which—

(I) is directly related to the health profession for which the borrower prepared at an eligible institution, as determined by the Secretary; and

(II) may be engaged in by the borrower during such a two-year period which begins within twelve months after the completion of the borrower's participation in a program described in subclause (I) or (II) of clause (i) or prior to the completion of the borrower's participation in such program,

except as provided in subparagraph (C), except that the period of the loan may not exceed 33 years from the date of execution of the note or written agreement evidencing it, and except that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the costs of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Secretary in effect at the time the loan is made;

(C) provides that periodic installments of principal and interest need not be paid, but interest shall accrue, during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution (or at an institution defined by section 435(b) of the Higher Education Act of 1965), (ii) not in excess of four years during which the borrower is a participant in an accredited internship or residency program (including any period in such a program described in subclause (I) or subclause (II) of subparagraph (B)(i)), (iii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (iv) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, (v) not in excess of three years during which the borrower is a member of the National Health Service Corps, (vi) not in excess of three years during which the borrower is in service as a full-time volunteer under title I of the Domestic Volunteer Service Act of 1973, or (vii) any period not in excess of two years which is describe in subparagraph (B)(ii), and any such period shall not be included in determining the 25-year period provided in clause (B) above;

(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be compounded *not more frequently than* semiannually and payable in installments over the period of the loan except as provided in subparagraph (C), except that the note or other written agreement may provide that payment of any interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due or the date repayment of principal is required to resume (whichever is applicable) and may further provide that, on such date, the amount of the interest

which has so accrued may be added to the principal for the purposes of calculating a repayment schedule;

* * * * *

DEFAULT OF BORROWER UNDER FEDERAL LOAN INSURANCE PROGRAM

SEC. 733. (a) Upon default by the borrower on any loan covered by Federal loan insurance pursuant to this subpart, and after a substantial collection effort (including, if appropriate, commencement of a suit) as determined under regulations of the Secretary, the insurance beneficiary shall promptly notify the Secretary and the Secretary shall, if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined.

(b) Upon payment by the Secretary of the amount of the loss pursuant to subsection (a), the United States shall be subrogated for all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Secretary on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured. *The Secretary may sell without recourse to eligible lenders (or other entities that the Secretary determines are capable of dealing in such loans) notes or other evidence of loans received through assignment under the first sentence.*

(c) Nothing in this section or in this subpart shall be construed to preclude any forbearance for the benefit of the borrower which may be agreed upon by the parties to the insured loan and approved by the Secretary or to preclude forbearance by the Secretary in the enforcement of the insured obligation after payment on that insurance.

(d) Nothing in this section or in this subpart shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making of loans under the provisions of this subpart and from exercising a substantial effort in the collection of loans under the provisions of this subpart. If the Secretary, after reasonable notice and opportunity for hearing to an eligible lender, finds that the lender has failed to exercise such care and diligence, to exercise such substantial efforts, to make the reports and statements required under section 732(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that lender from obtaining further Federal insurance on loans granted pursuant to this subpart until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence, exercise substantial effort, or comply with such requirements, as the case may be.

(e) As used in this section—

(1) the term "insurance beneficiary" means the insured or its authorized assignee in accordance with section 732(d);

(2) the term "amount of the loss" means, with respect to a loan, unpaid balance of the principal amount and interest on such loan; and

(3) the term "default" includes only such defaults as have existed for (A) 120 days in the case of a loan which is repayable in monthly installments, or (B) 180 days in the case of a loan which is repayable in less frequent installments.

(f) The Secretary may, after notice and opportunity for a hearing, cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans insured under this subpart in amounts up to the remaining balance of such loans. Procedures for reduction of payments under the medicare program are provided under section 1892 of the Social Security Act [(42 U.S.C. 1395ccc)].

(g) A debt which is a loan insured under the authority of this subpart may be released by a discharge in bankruptcy under *any chapter of title 11, United States Code*, only if such discharge is granted—

(1) after the expiration of the five-year period beginning on the first date, as specified in subparagraphs (B) and (C) of section 731(a)(2), when repayment of such loan is required;

(2) upon a finding by the Bankruptcy Court that the nondischarge of such debt would be unconscionable; and

(3) upon the condition that the Secretary shall not have waived the Secretary's rights to apply subsection (f) to the borrower and the discharged debt.

(h) *A State statute of limitations shall not bar an action by an insurance beneficiary against a borrower if such action is commenced within 6 years of the date of default (excluding any period for which the statute of limitations is tolled).*

* * * * *

DEFINITIONS

SEC. 737. As used in this subpart:

(1) The term "eligible institution" means, with respect to a fiscal year, a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, allied health, or chiropractic, or a graduate program in health administration or clinical psychology.

(2) The term "eligible lender" means an eligible institution, an agency or instrumentality of a State, a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State, or a pension fund approved by the Secretary for this purpose.

(3) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

(4) The term "school of allied health" means a program in a school of allied health (as defined in section 701(10)) which

leaders to a [masters' degree or a doctoral degree] baccalaureate or higher degree.

* * * * *

SEC. 739A. REISSUANCE AND REFINANCING OF CERTAIN LOANS.

(a) **IN GENERAL.**—Any borrower who received a loan insured under this subpart bearing an interest rate that is fixed at a rate in excess of 12 percent per year may enter into an agreement with the eligible lender that made such loan for the reissuance of such loan in order to permit the borrower to obtain for such loan the interest rate in effect for loans insurable under this subpart on the date the borrower submits an application to such lender for such reissuance.

(b) **PROCEDURES.**—

(1) **DISCHARGE BY OBTAINING LOAN.**—Any borrower who received a loan under this subpart bearing an interest rate that is fixed at a rate in excess of 12 percent per year may obtain a loan from an eligible lender (other than the original lender) for the purpose of discharging the loan from such original eligible lender. A loan made for such purpose—

(A) shall bear interest at the interest rate in effect for loans insurable under this subpart on the date the borrower submits an application for a loan under this subsection; and

(B) shall be applied to discharge the borrower from any remaining obligation to the original eligible lender with respect to the original loan.

(2) **CERTIFICATION.**—Each new eligible lender may accept certification from the original eligible lender to the borrower's original loan in lieu of presentation of the original promissory note.

(c) **TIME OF PAYMENT.**—Any loan reissued under subsection (a) or refinanced under subsection (b) shall be payable during the repayment period applicable to the loan made under this subpart prior to the date of enactment of this section, and such reissuance or refinancing shall not result in the extension of the duration of the loan.

(d) **ADMINISTRATIVE COSTS.**—An eligible lender reissuing a loan under subsection (a) or refinancing a loan under subsection (b) may charge a borrower an amount not in excess of \$100 to cover the administrative costs of such reissuance or refinancing.

(e) **INSURANCE.**—The reissuance of a loan under subsection (a) or the refinancing of a loan under subsection (b) shall not affect any insurance applicable to such loan, and no additional insurance premium may be charged with respect to such loan.

(f) **NOTIFICATION.**—Each holder of a loan made under this subpart shall, not later than January 1, 1989, in the case of loans made before the date of enactment of this section, notify the borrower of such loan—

(1) of the reissuance or refinancing options for which the borrower is eligible under this section;

(2) of those options which will be made available by the holder; and

(3) that, with respect to any option that the holder will not make available, the holder will, to the extent practicable, refer the borrower to an eligible lender offering such option.

(g) REGULATIONS.—The Secretary shall promulgate regulations to implement this section.

(h) DEFINITION.—For purposes of this section, the term 'eligible lender' includes the Student Loan Marketing Association.

* * * * *

Subpart II—Students Loans

LOAN AGREEMENTS

SEC. 740. (a) The secretary is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this subpart with any public or other nonprofit school of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, [or veterinary medicine] *veterinary medicine, chiropractic, or allied health, or with any public or nonprofit private institution that has a graduate program in clinical psychology*, which is located in a State and is accredited as provided in section 721(b)(1)(B).

(b) Each agreement entered into under this section shall—

(1) provide for establishment of a student loan fund by the school;

(2) provide for deposit in the fund of (A) the Federal capital contributions to the fund, (B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such institution, (C) collections of principal and interest on loans made from the fund, (D) collections pursuant to section 741(j), and (E) any other earnings of the fund;

(3) provide that the fund shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

(4) provide that loans may be made from such funds only to students pursuing a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, doctor of optometry or an equivalent degree, [or] doctor of veterinary medicine or an equivalent degree, *doctor of chiropractic or an equivalent degree, bachelor of science or higher degree in an allied health field, or doctoral degree in clinical psychology*;

(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and

(6) contain such other provisions as are necessary to protect the financial interests of the United States.

(c)(1) Any standard established by the Secretary by regulation for the collection by schools of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, [or veterinary medicine] *veterinary*

medicine, chiropractic, or allied health, or by graduate programs in clinical psychology, of loans made pursuant to loan agreements under this subpart shall provide that the failure of any such school to collect such loans shall be measured in accordance with this subsection.

(2) The measurement of a school's failure to collect loans made under this subpart shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of such school bears to the matured loans of such school.

(3) for purposes of this subsection—

(A) the term "default" means the failure of a borrower of a loan made under this subpart to—

(i) make an installment payment when due; or

(ii) comply with any other term of the promissory note for such loan,

except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy or if the school reasonably concludes from written contracts with the borrower that the borrower intends to repay the loan;

(B) the term "defaulted principal amount outstanding" means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or cancelled) on loans—

(i) repayable monthly and in default for at least 120 days; and

(ii) repayable less frequently than monthly and in default for at least 180 days;

(C) the term "grace period" means the period of one year beginning on the date on which the borrower ceases to pursue a full-time course of study at a school of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, [or veterinary medicine] *veterinary medicine, chiropractic, or allied health, or at a graduate program in clinical psychology*; and

* * * * *

LOAN PROVISIONS

SEC. 741. (a) Loans from a student loan fund (established under an agreement with a school under section 740) may not exceed for any student for each school year (or its equivalent) the sum of—

(1) the cost of tuition for such year at such school, and

(2) \$2,500.

(b) Any such loans shall be made on such terms and conditions as the school may determine, but may be made only to a student (1) who is in need of the amount thereof to pursue a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, doctor of optometry or an equivalent degree, [or] doctor of veterinary medicine or an equivalent degree, *doctor of chiropractic or an equivalent degree, doctoral degree in clinical psychology, or bachelor of science or higher degree in an allied health field*, (2) who, if pursuing a full-time course of study at the school

leading to a degree of doctor of medicine or doctor of osteopathy, is of exceptional financial need (as defined by regulations of the Secretary), and (3) who, if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section.

(c) Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins one year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathy, dentistry, pharmacy, podiatry optometry, veterinary medicine, or *chiropractic*, at a *graduate program in clinical psychology*, or at a *baccalaureate or higher degree program in allied health*, excluding from such ten-year period—

(1) all periods—

(A) not in excess of three years of active duty performed by the borrower as a member of a uniformed service;

(B) not in excess of three years during which the borrower serves as a volunteer under the Peace Corps Act; and

(C) during which the borrower participates in advanced professional training, including internships and residencies; and

(2) a period—

(A) not in excess of two years during which a borrower who is a full-time student in such a school leaves the school, with the intent to return to such school as a full-time student, in order to engage in a full-time educational activity which is directly related to engage in full-time educational activity which is directly related to the health profession for which the borrower is preparing, as determined by the Secretary; or

(B) not in excess of two years during which a borrower who is a graduate of such a school is a participant in a fellowship training program or a full-time educational activity which—

(i) is directly related to the health profession for which such borrower prepared at such school, as determined by the Secretary; and

(ii) may be engaged in by the borrower during such a two-year period which begins within twelve months after the completion of the borrower's participation in advanced professional training described in paragraph (1)(C) or prior to the completion of such borrower's participation in such training.

(d) The liability to repay the unpaid balance of such a loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently, and totally disabled.

(e) Such loans shall bear interest, on the unpaid balance of the loan, computed only for periods for which the loan is repayable, at the rate of 9 percent per year.

(f)(1) In the case of any individual—

(A) who has received a degree of doctor of medicine, doctor of osteopathy, doctor of dentistry or an equivalent degree, doctor

of veterinary medicine or an equivalent degree, doctor of optometry or an equivalent degree, bachelor of science in pharmacy or an equivalent degree, doctor of pharmacy or an equivalent degree, or doctor of podiatry or an equivalent degree, *degree of doctor of chiropractic or an equivalent degree, doctoral degree in clinical psychology, or baccalaureate or higher degree in allied health;*

(B) who (i) obtained one or more loans from a loan fund established under this subpart, or (ii) obtained, under a written loan agreement entered into before October 12, 1976, any other educational loan for his costs at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, **[or podiatry]** *podiatry, or chiropractic, at a graduate program in clinical psychology, or at a baccalaureate or higher degree program in allied health;* and

(C) who enters into an agreement with the Secretary to practice his profession (as a member of the National Health Service Corps or otherwise) for a period of at least two years in an area in a State in a health manpower shortage area designated under section 332, *or as a full time faculty member not receiving a stipend or fellowship in a health professions school referred to in section 701(4) (as determined by the Secretary);*

the Secretary shall make payments in accordance with paragraph (2), for and on behalf of that individual, on the principal of and interest on any loan of his described in subparagraph (B) of this paragraph which is outstanding on the date he begins the practice specified in the agreement described in subparagraph (C) of this paragraph.

* * * * *

(l) Upon application by a person who received, and is under an obligation to repay, any loan made to such person as a health professions student to enable him to study medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, **[or podiatry]** *podiatry, chiropractic, clinical psychology, or allied health,* the Secretary may undertake to repay (without liability to the applicant) all or any part of such loan, and any interest or portion thereof outstanding thereon, upon his determination, pursuant to regulations establishing criteria therefor, that the applicant—

(1) failed to complete such studies leading to his first professional degree;

(2) is in exceptionally needy circumstances;

(3) is from a low-income or disadvantaged family as those terms may be defined by such regulations; and

(4) has not resumed, or cannot reasonably be expected to resume, the study of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, **[or podiatry]** *podiatry, chiropractic, clinical psychology, or allied health,* within two years following the date upon which he terminated such studies.

(m) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school with which the Secretary has an agreement under this subpart, on behalf of that school

under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection), but only if the school has complied with such requirement as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan so referred shall be treated as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding any such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.

(n) A State statute of limitations shall not bar an action by a school against a borrower if such action is commenced within 6 years of the date of default (excluding any period for which the statute of limitations is tolled).

AUTHORIZATION OF APPROPRIATIONS

SEC. 742. (a) [For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under section 740, there are authorized to be appropriated \$26,000,000 for the fiscal year ending September 30, 1978, \$27,000,000 for the fiscal year ending September 30, 1979, \$28,000,000 for the fiscal year ending September 30, 1980, \$12,000,000 for the fiscal year ending September 30, 1982, \$13,000,000 for the fiscal year ending September 30, 1983, and \$14,000,000 for the fiscal year ending September 30, 1984.] *For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under section 740, there are authorized to be appropriated \$15,000,000 for fiscal year 1989, \$16,000,000 for fiscal year 1990, and \$17,000,000 for fiscal year 1991. Not less than 30 percent of the amounts appropriated in each fiscal year under this section shall be allocated to schools of allied health.*

(b)(1) The Secretary shall from time to time set dates by which schools must file applications for Federal capital contributions.

(2) If the total of the amounts requested for any fiscal year in such applications exceeds the amounts appropriated under this section for that fiscal year, the allotment to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application; or (B) an amount which bears the same ratio to the amounts appropriated as the number of students estimated by the Secretary to be enrolled in such school during such fiscal year bears to the estimated total number of students in all such schools during such year. Amounts remaining after allotment under the preceding sentence shall be reallocated in accordance with clause (B) of such sentence among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund from exceeding the total so requested by it.

(3) Funds available in any fiscal year for payment to schools under this subpart which are in excess of the amount appropriated pursuant to this section for that year shall be allotted among

schools in such manner as the Secretary determines will best carry out the purposes of this subpart.

(4) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

(5) Any funds from a student loan fund established under this subpart which are returned to the Secretary in any fiscal year shall be available for allotment under this subpart in, such fiscal year and the fiscal year succeeding such fiscal year[, to schools which, during the period beginning on July 1, 1972, and ending on September 30, 1985, established student loan funds with Federal capital contributions under this subpart].

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 743. (a) After [September 30, 1991, and not later than December 31, 1991] *September 30, 1994 and not later than December 31, 1994*, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 740(b) by each school as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of September 30, [1991] *1994*, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 740(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 740(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After December 31, [1991] *1994*, each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, [1991] *1994*, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as was determined for the Secretary under subsection (a).

* * * * *

Subpart III—Traineeships

PUBLIC HEALTH TRAINEESHIPS

SEC. 751. (a) GRANTS.—*The Secretary may make grants to accredited schools of public health to provide traineeships.*

(b) LIMITATIONS AND REQUIREMENTS—

(1) APPLICATION.—*No grant for traineeships may be made under subsection (a) unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.*

(2) **TUITION AND FEES.**—Traineeships awarded under grants made under subsection (a) shall provide for tuition on fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

(3) **AWARDING TRAINEESHIP.**—In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this section shall go to individuals who—

(A) have previously received a baccalaureate degree; or

(B) are pursuing a course of study in—

(i) biostatistics or epidemiology;

(ii) health administration, health planning, or health policy analysis and planning;

(iii) environmental or occupational health;

(iv) dietetics and nutrition;

(v) preventive medicine or dentistry;

(vi) maternal and child health.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—For payments under grants under subsection (a), there are authorized to be appropriated \$5,000,000 for each of the fiscal years 1989 through 1991.

Subpart IV—**[National Health Service Corps Scholarships]** Health Professions Scholarships

SEC. 751.¹

[Subpart V—Other Scholarships]

SCHOLARSHIPS FOR FIRST-YEAR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 758. (a) The Secretary shall make grants to a public or non-profit school of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, **[or]** veterinary medicine, or *chiropractic schools* which is accredited as provided in section 721(b)(1)(B), for scholarships to be awarded by the school to full-time students thereof who are of exceptional financial need **[and who are in their first year of study at such school]**.

(b) **[(1)]** Scholarships may be awarded by a school from a grant under subsection (a) only to individuals who have been accepted by it for enrollment as full-time students in their first year of study at such school.

[(2)] (1) A scholarship provided to a student for a school year under a grant under subsection (a) **[shall consist of]** *may consist of all or part—*

(A) payment to, or (in accordance with **[paragraph (4)]** *paragraph (3)*) on behalf of, the student of the amount (except as provided in section 710) of—

(i) the tuition of the student in such school year; and

(ii) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the student in such year; and

¹ Sections 751-757 transferred to part D of title III and redesignated as sections 338A-338G.

(B) payment to the student of a stipend *not in excess* of \$400 per month (adjusted in accordance with paragraph [(5)] (4)) for each of the 12 consecutive months beginning with the first month of such school year.

[(3)](2) Notwithstanding paragraph [(2)] (1), the total scholarship award to a student for each year shall not exceed the cost of attendance for that year at the educational institution attended by the student (as determined by such educational institution).

[(4)](3) The Secretary may contract with an educational institution in which is enrolled a student who has received a scholarship with a grant under subsection (a) for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in paragraph [(2)](1)(A). Payment to such an educational institution may be made without regard to section 3324 of title 31, United States Code.

[(5)](4) The amount of the *maximum allowable* monthly stipend, specified in paragraph [(2)](1)(B) and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Secretary for each school year by an amount (rounded to the next highest multiple of \$1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5, United States Code) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such school year ends.

[(6) For purposes of this section, the term "first year of study" means, with respect to a student of a school other than a school of pharmacy, the student's first year of postbaccalaureate study at such school.]

(c) The Secretary shall give priority in distributing grants under subsection (a) to schools of medicine, osteopathy, and dentistry.

[(d) For the purpose of making grants under this section, there is authorized to be appropriated \$16,000,000 for the fiscal year ending September 30, 1978, \$17,000,000 for the fiscal year ending September 30, 1979, \$18,000,000 for the fiscal year ending September 30, 1980, \$6,000,000 for the fiscal year ending September 30, 1982, \$6,500,000 for the fiscal year ending September 30, 1983, \$7,000,000 for the fiscal year ending September 30, 1984, \$7,000,000 for the fiscal year ending September 30, 1986, \$7,000,000 for the fiscal year ending September 30, 1987, and \$7,000,000 for the fiscal year ending September 30, 1988.]

(d) *For the purpose of making grants under this section, there is authorized to be appropriated \$30,000,000 for each of the fiscal years 1989 through 1991.*

* * * * *

PART E—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH

CAPITATION GRANTS FOR SCHOOLS OF PUBLIC HEALTH

SEC. 770. (a)(1) The Secretary shall make annual grants to schools of public health for the support of the education programs of such schools. The amount of the annual grant to each such school with

an approved application shall be computed for each fiscal year in accordance with paragraphs (2) and (3).

(2) Each school of public health shall receive for the fiscal year ending September 30, [1986] 1989, and for each of the next two fiscal years, an amount equal to the product of—

(A) \$1,400, and

(B) the sum of (i) the number of full-time students enrolled in degree programs in such school in the school year beginning in such fiscal year, and (ii) the number of full-time equivalents of part-time students enrolled in degree programs in such school, determined pursuant to paragraph (3), for such school for such school year.

(3) For purposes of paragraph (2), the number of full-time equivalents of part-time students for a school of public health for any school year is a number equal to—

(A) the total number of credit hours of instruction in such year for which part-time students of such school, who are pursuing a course of study leading to a graduate degree in public health or an equivalent degree, have enrolled, divided by

(B) the greater of (i) the number of credit hours of instruction which a full-time student of such school was required to take in such year, or (ii) 9,

rounded to the next highest whole number.

(b) Notwithstanding subsection (a), if the aggregate of the amounts of the grants to be made in accordance with such subsection for any fiscal year to schools of public health with approved applications exceeds the total of the amounts appropriated for such grants for such schools under subsection (e), the amount of a school's grant for such fiscal year shall be an amount which bears the same ratio to the amount determined for the school under subsection (a) as the total of the amounts appropriated for that year under subsection (e) for grants to schools of public health bears to the amount required to make grants in accordance with subsection (a) to each of the schools of public health with approved applications.

(c)(1) For purposes of this section, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as the Secretary deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

(2) For purposes of this section, the term "full-time students" (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study leading to a graduate degree in public health or equivalent degree.

(d) In the case of a new school of public health which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurances provid-

ed by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

[(e) For payments under this section, there are authorized to be appropriated \$5,000,000 for the fiscal year ending September 30, 1986, \$5,125,000 for the fiscal year ending September 30, 1987, and \$5,250,000 for the fiscal year ending September 30, 1988.]

(e) An applicant school shall expend in carrying out its functions as a school of public health during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources that is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

(f) For payments under this section, there are authorized to be appropriated \$5,000,000 for fiscal year 1989, \$6,000,000 for fiscal year 1990, and \$7,000,000 for fiscal year 1991.

ELIGIBILITY FOR CAPITATION GRANTS

SEC. 771. [Repealed.]

APPLICATIONS FOR CAPITATION GRANTS

SEC. 772. (a)-(d) * * *

[(e) For purposes of administering the requirements of section 771, a reference to a year class of students is a reference to students enrolled in that class for the first time, except that a student who, for other than academic reasons, withdraws from a year class before the end of an academic year or does not complete an academic year shall not be considered as having been enrolled in a year class in that academic year.]

* * * * *

PART F—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

PROJECT GRANTS FOR ESTABLISHMENT OF DEPARTMENTS OF FAMILY MEDICINE

SEC. 780. (a) The Secretary may make grants to schools of medicine and osteopathy to meet the costs of projects to establish, maintain, or improve academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine.

(b) The Secretary may not approve an application for a grant under subsection (a) unless such application contains—

(1) assurance satisfactory to the Secretary that the academic administrative unit with respect to which the application is made will (A) be comparable to academic administrative units for other major clinical specialties offered by the applicant, (B) be responsible for directing an amount of the curriculum for each member of the student body engaged in an education program leading to the awarding of the degree of doctor of medicine or doctor of osteopathy which amount is determined by the Secretary to be comparable to the amount of curriculum required for other major clinical specialties in the school, (C)

have a number of full-time faculty which is determined by the Secretary to be sufficient to conduct the instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties in the school, and (D) have control over (or in the case of a school of osteopathy, have control over or be closely affiliated with) a three-year approved or provisionally approved residency training program in family practice or its equivalent as determined by the Secretary which shall have the capacity to enroll a total of no less than nine interns or residents per year; and

(2) such other information as the Secretary shall by regulation prescribe.

(c) In making grants under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to family medicine in their medical education training programs.

[(d) There are authorized to be appropriated \$10,000,000 for the fiscal year ending September 30, 1978, \$15,000,000 for the fiscal year ending September 30, 1979, \$20,000,000 for the fiscal year ending September 30, 1980, \$10,000,000 for the fiscal year ending September 30, 1982, \$10,500,000 for the fiscal year ending September 30, 1983, \$11,000,000 for the fiscal year ending September 30, 1984, \$7,000,000 for the fiscal year ending September 30, 1986, \$7,000,000 for the fiscal year ending September 30, 1987, and \$7,000,000 for the fiscal year ending September 30, 1988 for payments under grants under subsection (a).]

(d) There are authorized to be appropriated \$7,000,000 for each of the fiscal years 1989 through 1991 for payments for grants under subsection (a).

AREA HEALTH EDUCATION CENTERS

SEC. 781. (a)(1)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy for the planning, development, and operation of area health education center programs.

(B)(i) Under subparagraph (A), the Secretary shall enter into contracts to establish and support area health education center programs that include training of personnel to offer maternal health services and child health services, including oral health screening and treatment, in underserved areas.

(ii) In entering into contracts under this subsection, the Secretary shall give priority to programs that will train personnel to provide such services in areas along the border between the United States and Mexico, in frontier areas, the Caribbean Basin, the Pacific Basin, and in areas in which the rate of infant mortality and low birthweight are disproportionately higher than such rates for the State in which such an area is located.

(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

(B) Projects for which assistance may be provided under subparagraph (A) are—

(i) projects to improve the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system; and

[(ii) projects to encourage the regionalization of educational responsibilities of the health professions schools; and

[(iii) projects designed to prepare, through preceptorships and other programs, individuals subject to a service obligation under the National Health Service Corps scholarship program to effectively provide health services in health manpower shortage areas.]

(ii) projects to increase the number of health care providers in health manpower shortage areas as defined in section 332.

(C) *In the case of the requirement that an area health education center be neither a school of medicine or osteopathy, the parent institution of such a school, nor a branch campus or other subunit of a school of medicine or osteopathy or its parent institution, or a consortium of such entities, to be eligible to enter into a contract under this section, the Secretary shall waive such requirement with respect to an area health education center having, at the time of initial application to enter into such contract under this section or a previous authorizing law, an operating program supported by both appropriations of a State legislature and local resources.*

(b) An area health education center program shall be a cooperative program of one or more medical or osteopathic schools and one or more non-profit private or public area health education centers.

(c) Each medical or osteopathic school participating in an area health education center program shall—

(1) provide for the active participation in such program by individuals who are associated with the administration of the school and each of the departments (or specialties if the school has no such departments) of internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and family medicine, *except that a program described in subsection (a)(1)(B) shall only be required to provide for active participation in such program of individuals who are associated with the administration of the school and each of the departments (or specialties if the school has no departments) of pediatrics, obstetrics and gynecology, family medicine, and dentistry;*

(2) *except in the case of a program described in subsection (a)(1)(B), provide that no less than 10 percent of all undergraduate medical or osteopathic clinical education of the school will be conducted in an area health education center and at locations under the sponsorship of such center;*

(3) be responsible for, or conduct, a program for the training of physician assistants (as defined in section 701(7)) or nurse practitioners (as defined in section 822) which gives special consideration to the enrollment of individuals from, or intending

to practice in, the area served by the area health education center of the program; and

(4) provide for the active participation of at least 2 schools or programs of other health professions (including a school of dentistry if there is one affiliated with the university with which the school of medicine or osteopathy is affiliated) in the educational program conducted in the area served by the area health education center.

The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph. The Secretary may waive, for good cause shown, all or part of the requirement of paragraph (2) as it applies to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.

(d)(1) Each area health education center shall specifically designate a geographic area in which it will serve, or shall specifically designate a medically underserved population it will serve (such area or population with respect to such center in this section referred to as "the area served by the center"), which area or population is in a location remote from the main site of the teaching facilities of the school or schools which participate in the program with such center.

(2) Each area health education center shall—

(A) provide for or conduct training in health education services, including education in nutrition evaluation and counseling, in the area served by the center;

(B) assess the health manpower needs of the area served by the center and assist in the planning and development of training programs to meet such needs;

(C)(i) *except as provided in clause (ii)* provide for or conduct a rotating osteopathic internship or a medical residency training program in family medicine, general internal medicine, or general pediatrics in which no fewer than six individuals are enrolled in first-year positions in such program; or

(ii) *in the case of a program described in subsection (a)(1)(B), provide for or conduct a medical residency program in obstetrics and gynecology in which no fewer than six individuals are enrolled in first year positions in such program;*

(D) provide opportunities for continuing medical education (including education in disease prevention) to all physicians and other health professionals (including allied health personnel) practicing within the area served by the center;

(E) provide continuing medical education and other educational support services to the National Health Service Corps members serving within the area served by the center;

(F) conduct interdisciplinary training and practice involving physicians and other health personnel including, where practicable, physician assistants, [and] nurse practitioners, and nurse midwives;

(G) arrange and support educational opportunities for medical and other students at health facilities, ambulatory care

centers, and health agencies throughout the area served by the center; and

(H) have an advisory board of which at least 75 percent of the members shall be individuals, including both health service providers and consumers, from the area served by the center.

Any area health education center which is participating in an area health education center program in which another center has a medical residency training program described in subparagraph (C) need not provide for or conduct such a medical residency training program.

(e) In entering into contracts under this section the Secretary shall assure that—

(1) at least 75 percent of the total funds provided to any school shall be expended by an area health education center program **[in the area health education centers]** *in the development and operation of projects described in subsection (a);*

(2) not more than 75 percent of the total operating funds of a program in any year shall be provided by the Secretary; and

(3) no contract shall provide funds solely for the planning or development of such a program for a period of longer than two years.

The Secretary may vest in entities which have received contracts under section 802 of the Health Professions Educational Assistance Act of 1976, section 774 as in effect before October 1, 1977, or under subsection (a) of this section for area health education centers programs title to any property acquired on behalf of the United States by that entity (or furnished to that entity by the United States) under that contract.

(f) For the purposes of this section the term "area health education center program" means a program which is organized as provided in subsection (b) and under which the participating medical and osteopathic schools and the area health education centers meet the requirements of subsections (c) and (d). The Secretary shall, by regulation, establish standards and criteria for the requirements of this section.

[(g) There are authorized to be appropriated to carry out the provisions of this section \$20,000,000 for the fiscal year ending September 30, 1978, \$30,000,000 for the fiscal year ending September 30, 1979, \$40,000,000 for the fiscal year ending September 30, 1980, \$21,000,000 for the fiscal year ending September 30, 1982, \$22,500,000 for the fiscal year ending September 30, 1983, \$24,000,000 for the fiscal year ending September 30, 1984, \$18,000,000 for the fiscal year ending September 30, 1986, \$18,000,000 for the fiscal year ending September 30, 1987, and \$18,000,000 for the fiscal year ending September 30, 1988. The Secretary shall obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2).]

(g) There are authorized to be appropriated to carry out the provisions of this section \$22,000,000 for each of the fiscal years 1989 through 1991. The Secretary shall obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2). Of the amounts appropriated under this subsection for fiscal years 1989 through 1991, not less

than \$3,000,000 shall be available in each such fiscal year for contracts under subsection (a)(1)(B).

GRANTS FOR MINORITY EDUCATION

SEC. [788A.] 782. (a) The Secretary shall make grants to health professions schools to assist such schools in supporting programs of excellence in health professions education for minority individuals. A grant under this section shall be used by a health professions school to—

(1) develop a plan to achieve institutional improvements, including financial independence, to enable such school to support programs of excellence in health professions education for minority individuals;

(2) improve the capacity of such school to recruit and retain faculty;

(3) provide improved access to the library and information resources of such school;

(4) establish, strengthen, or expand programs to enhance the academic performance of students in such school;

(5) establish, strengthen, or expand programs to increase the number and quality of applicants for admission to such school; and

(6) develop curricula and carry out faculty training programs in order to enable such school to become, for the Nation's health care providers, a resource with respect to the health problems of minority communities, such as higher infant mortality rates and higher incidences of acquired immunodeficiency syndrome.

(b) No grant may be made under this section unless an application therefor has been submitted to the Secretary at such time, in such form, and containing such information, as the Secretary may by regulation prescribe.

[(c) In order to be eligible for a grant under this section, a health professions school must—

[(1) be a school described in section 701(4); and

[(2) have received a contract under section 788B for fiscal year 1987.]

(c) *Only health professions schools shall be eligible for a grant under this section. To be eligible, such schools must—*

(1) be a school described in section 701(4); and

(2) have received a contract under section 788A for fiscal year 1987.

(d) To carry out this section, there are authorized to be appropriated \$10,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, and 1991.

PROGRAMS FOR PHYSICIAN ASSISTANTS

SEC. 783. [Repealed.]

GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 784. (a) The Secretary may make grants to and enter into contracts with schools of medicine and osteopathy, public or pri-

vate nonprofit hospital, or any other public or private nonprofit entity to meet the costs of projects—

(1) to plan, develop, and operate approved residency training programs in internal medicine or pediatrics, which emphasize the training of residents for the practice of general internal medicine or general pediatrics (as defined by the Secretary in regulations);

(2) which provide financial assistance (in the form of traineeships and fellowships) to residents who are participants in any such program, and who plan to specialize or work in the practice of general internal medicine or general pediatrics;

(3) to plan, develop, and operate a program for the training of physicians who plan to teach in a general internal medicine or general pediatrics training program; and

(4) which provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a general internal medicine or general pediatrics training program.

(b) In making grants and entering into contracts under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to general internal medicine and general pediatrics in their medical education training programs, *and coordination of curriculum development and resident teaching activities with departments of family medicine where there is a department within the same school.*

[(c) There are authorized to be appropriated to carry out the provisions of this section \$10,000,000 for the fiscal year ending September 30, 1977, \$15,000,000 for the fiscal year ending September 30, 1978, \$20,000,000 for the fiscal year ending September 30, 1979, \$25,000,000 for the fiscal year ending September 30, 1980, \$17,000,000 for the fiscal year ending September 30, 1982, \$18,000,000 for the fiscal year ending September 30, 1983, \$20,000,000 for the fiscal year ending September 30, 1984, \$18,500,000 for the fiscal year ending September 30, 1986, \$19,500,000 for the fiscal year ending September 30, 1987, and \$22,000,000 for the fiscal year ending September 30, 1988.]

(c) *There are authorized to be appropriated to carry out this section \$22,000,000 for each of the fiscal years 1989 through 1991.*

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 786. (a) The Secretary may make grants to, or enter into contracts with, any public or nonprofit private hospital, school of medicine or osteopathy, or to or with a public or private nonprofit entity (which the Secretary has determined is capable of carrying out such grant or contract)—

(1) to plan, develop, and operate, or participate in, an approved professional training program (including an approved residency or internship program) in the field of family medicine for medical and osteopathic students, interns (including interns in internships in osteopathic medicine), residents, or practicing physicians;

(2) to provide financial assistance (in the form of traineeships and fellowships) to medical and osteopathic students, interns

(including interns in internships in osteopathic medicine), residents, practicing physicians, or other medical personnel, who are in need thereof, who are participants in any such program, and who plan to specialize or work in the practice of family medicine;

(3) to plan, develop, and operate a program for the training of physicians who plan to teach in family medicine training programs; and

(4) to provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a family medicine training program.

(b) The Secretary may make grants to, or enter into contracts with, any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

(1) to plan, develop, and operate an approved residency program in the general practice of dentistry or an approved advanced educational program in the general practice of dentistry; and

(2) to provide financial assistance (in the form of traineeships and fellowships) to participants in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry.

(c) In making grants and entering into contracts under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to family medicine in their medical education training programs, *and coordination of curriculum development and resident teaching activities with departments of internal medicine and pediatrics where there is a department within the same school, and for residency or internship programs under paragraph (1) or (2) of subsection (a).*

[(d) There are authorized to be appropriated to make grants under this section \$45,000,000 for the fiscal year ending September 30, 1978, \$45,000,000 for the fiscal year ending September 30, 1979, \$50,000,000 for the fiscal year ending September 30, 1980, \$32,000,000 for the fiscal year ending September 30, 1982, \$34,000,000 for the fiscal year ending September 30, 1983, \$36,000,000 for the fiscal year ending September 30, 1984, \$36,000,000 for the fiscal year ending September 30, 1986, \$37,000,000 for the fiscal year ending September 30, 1987, and \$39,400,000 for the fiscal year ending September 30, 1988. In making grants and entering into contracts under this section with amounts appropriated under this subsection for the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1986, September 30, 1987, and September 30, 1988, the Secretary shall give priority to grants and contracts for residency or internship programs under paragraphs (1) and (2) of subsection (a), and shall obligate not less than 7.5 percent of such amounts in each such fiscal year for grants under subsection (b).]

(d)(1) *There are authorized to be appropriated to make grants under subsection (a), \$40,000,000 for each of the fiscal years 1989 through 1991.*

(2) *There are authorized to be appropriated to make grants under subsection (b), \$10,000,000 for each of the fiscal years 1989 through 1991.*

EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED
BACKGROUNDS

SEC. 787. (a)(1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, and podiatry, public and nonprofit private schools which offer graduate programs in clinical psychology, and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the cost of—

(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for education and training in a health profession,

(B) facilitating the entry of such individuals into such a school,

(C) providing counseling or other services designed to assist such individuals to complete successfully their education at such a school,

[(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education,

[(E) publicizing existing sources of financial aid available to students in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program, and]

(D) *providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education,*

(E) *paying such stipends to students enrolled in structured summer academic enrichment programs designed to support activities under subparagraphs (B), (C), and (D), as determined by the Secretary, and*

(F) *paying such stipends as the Secretary may determine for such individuals for any period of health professions education at a school of medicine, osteopathy, [or] dentistry, or chiropractic schools.*

The term "regular course of education of such a school" as used in subparagraph (D) includes a graduate program in clinical psychology.

(3) All individuals participating in activities supported by a grant under this subsection must have completed the 10th grade of high school, or the equivalent of such grade.

[(b) There are authorized to be appropriated for grants and contracts under subsection (a)(1), \$20,000,000 for the fiscal year ending September 30, 1982, \$21,500,000 for the fiscal year ending September 30, 1983, \$23,000,000 for the fiscal year ending September 30, 1984, \$26,000,000 for the fiscal year ending September 30, 1986, \$28,000,000 for the fiscal year ending September 30, 1987, and \$30,000,000 for the fiscal year ending September 30, 1988. Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers. Of the funds appropriated under this section for any fiscal year, 20 percent shall be obligated for stipends under section (a)(2)(F) to individuals of exceptional financial need (as defined by regulations promulgated by the Secretary under section 758) who are students at schools of medicine, osteopathy, or dentistry.]

(b)(1) Schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, podiatry, and public and nonprofit schools that offer graduate programs in clinical psychology that receive a grant under subsection (a) shall, during a period of 3 years commencing on the date of the award of the grant, increase their first year enrollments of individuals from disadvantaged backgrounds by at least 20 percent.

(2) If the increase in such first year enrollment is not attained by the end of the 3-year period, the grant recipient shall be ineligible for any subsequent grant under such subsection until the 20 percent increase in such enrollment is achieved and maintained.

(3) The requirement for at least a 20 percent increase in such enrollment shall apply only to those schools referred to in paragraph (1) that have a total enrollment of such individuals from disadvantaged backgrounds that is less than 200 percent of the national average total enrollment of such individuals in all schools of each health professions discipline.

(4) Determination of both first year and total enrollment of such individuals shall be made by the Secretary in accordance with section 708.

(c) There are authorized to be appropriated for grants and contracts under subsection (a)(1), \$32,000,000 for fiscal year 1989, \$34,000,000 for fiscal year 1990, and \$36,000,000 for fiscal year 1991. Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers. Of the funds appropriated under this section for any fiscal year, not less than 20 percent shall be obligated for stipends under section (a)(2)(E).

**RETENTION PROGRAM FOR HEALTH PROFESSIONS SCHOOLS WITH
INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS**

SEC. 787A. (a) ESTABLISHMENT.—The Secretary shall establish a supplemental grant program to award grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or public health that demonstrate sufficient graduation of students from disadvantaged backgrounds.

(b) PAYMENT FORMULA.—

(1) **IN GENERAL.**—Payments to an eligible institution under this section shall be calculated in accordance with this subsection.

(2) **ELIGIBLE INSTITUTIONS.**—An institution shall be eligible for funds under this section for a fiscal year in an amount determined under paragraph (5), if the disadvantaged graduate figure for the institution (as determined under paragraph (3)) exceeds the nondisadvantaged graduate figure for the institution (as determined under paragraph (4)).

(3) **DISADVANTAGED GRADUATE FIGURE.**—For each fiscal year, the Secretary shall determine the disadvantaged graduate figure for the institution by dividing—

(A) the number of students from disadvantaged backgrounds who graduated from the institution as part of such class; by

(B) the number of students from disadvantaged backgrounds who matriculated into the institution as part of a class.

(4) **NONDISADVANTAGED GRADUATE FIGURE.**—For each fiscal year, the Secretary shall determine the nondisadvantaged graduate figure for the institution by multiplying—

(A) the quotient determined by dividing—

(i) the number of students from nondisadvantaged backgrounds who graduated from the institution as part of such class; by

(ii) the number of students from nondisadvantaged backgrounds who matriculated into the institution as part of a class; by

(B) .9.

(5) **AMOUNT OF GRANT.**—An institution determined to be eligible to receive a grant under this subsection shall be entitled to an amount determined by multiplying—

(A) the quotient determined by dividing—

(i) the total amount of funds made available to carry out this section during such preceding fiscal year; by

(ii) the number of students from disadvantaged backgrounds who graduated from eligible institutions during the preceding fiscal year; by

(B) the number of students from disadvantaged backgrounds who graduated from the eligible institution during such preceding fiscal year.

(c) USE OF FUNDS.—Payment received by the institution under subsection (b) shall be used to provide—

(1) financial aid services for individuals from disadvantaged backgrounds who choose to attend such institution;

(2) retention services or for other retention purposes for individuals from disadvantaged backgrounds.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section, \$2,000,000 in each of the fiscal years 1990 and 1991.

REPORT

SEC. 787B. Not later than September 30, 1991, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that develops a tracking system to evaluate—

(1) the success of the programs established under sections 787 and 787A in enhancing the professional education of individuals from disadvantaged backgrounds; and

(2) the gains experienced by institutions in the retention of students from disadvantaged backgrounds.

[TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT

[SEC. 788. (a)(1) The Secretary may make grants to maintain and improve schools which provide the first or last two years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools which were in existence on September 30, 1985, may be used for construction and the purchase of equipment.

[(2) To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first or last two years of education leading to the degree of doctor of medicine or osteopathy and be accredited by or be operated jointly with a school that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.

[(b)(1) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution, or any other public or nonprofit private entity for projects in areas such as—

[(A) health promotion and disease prevention;

[(B) curriculum development and training in health policy and policy analysis, including curriculum development and training in areas such as—

[(i) the organization, delivery, and financing of health care;

[(ii) the determinants of health and the role of medicine in health; and

[(iii) the promotion of economy in health professions teaching, health care practice, and health care systems management;

[(C) curriculum development in clinical nutrition;

[(D) the development of initiatives for assuring the competence of health professionals; and

[(E) curriculum and program development and training in applying the social and behavioral sciences to the study of health and health care delivery issues.

[(2)(A) Of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (g), at least 75 percent shall be obligated for grants to and contracts with health professions institutions, allied health institutions, and nurse training institutions.

[(B) Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

[(C) The Secretary may not approve or disapprove an application for a grant to an institution described in subparagraph (A) unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (B) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

[(3) Of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (g), not more than 25 percent shall be obligated for grants to and contracts with public and nonprofit entities which are not health professions institutions, allied health institutions, or nurse training institutions.

[(c)(1) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or other appropriate public or nonprofit private entities to assist in meeting the costs of planning, establishing, and operating projects to provide support services to health professionals practicing in health manpower shortage areas designated under section 332. Such support services may include continuing education, relief services, specialist referral services, and placement of students in a preceptorial relationship with the practitioner.

[(2) No grant may be made to or contract entered into with an entity under paragraph (1)—

[(A) unless the entity agrees to provide support services to any physician, dentist, veterinarian, optometrist, podiatrist, or pharmacist (as appropriate to the category of health professionals proposed to be served by the grant or contract) who requests such services within the health manpower shortage area proposed to be served, including any member of the National Health Service Corps;

[(B) to carry out activities required to be carried out under section 781; or

[(C) unless the amount of the award under this section is matched by a no less than equal amount from non-Federal sources.

[(3) Not more than 15 percent of funds available to carry out this subsection may be used by the Secretary to fund eligible recipients to carry out research relating to the support needs of practitioners in health manpower shortage areas, nor shall more than 30 percent of such funds be used to provide continuing education.

[(d)(1) The Secretary may make grants to and enter into contracts with accredited health professions schools referred to in section 701(4) or 701(10) and programs referred to in section 701(8) to

assist in meeting the costs of such schools or programs of providing projects to—

[(A) improve the training of health professionals in geriatrics;

[(B) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

[(C) expand and strengthen instruction in methods of such treatment;

[(D) support the training and retraining of faculty to provide such instruction (other than training and retraining of faculty for schools of medicine and osteopathy);

[(E) support continuing education of health professionals and allied health professionals who provide such treatment; and

[(F) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

[(2)(A) Any application for a grant or contract under this subsection shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

[(B) The Secretary may not approve or disapprove an application for a grant or contract under this subsection unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (A) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

[(e)(1) The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathy, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including traineeships and fellowships) for geriatric medicine training projects to train physicians and dentists who plan to teach geriatric medicine or geriatric dentistry.

[(2) Each project for which a grant or contract is made under this subsection shall—

[(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine;

[(B) be staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

[(C) be based in a graduate medical education program in internal medicine or family medicine, or in a department of geriatrics in existence as of the date of enactment of the Public Health Service Amendments of 1987 [December 1, 1987];

[(D) provide participants in the project with exposure to a diversified population of elderly individuals;

[(E) provide training in geriatrics and exposure to the physical and mental disabilities of elderly individuals through a variety of service rotations, such as geriatric consultation services, acute care services, dental services, geriatric psychiatry units, day and home care programs, rehabilitation services extended care facilities, geriatric ambulatory care and comprehensive evaluation units, and community care programs for elderly mentally retarded individuals, and

[(F) provide training in geriatrics through one or both of the training options described in subparagraphs (A) and (B) of paragraph (3).

[(3) The training options referred to in subparagraph (F) of paragraph (2) are as follows:

[(A) A one-year retraining program in geriatrics for—

[(i) physicians who are faculty members in departments of internal medicine, family medicine, gynecology, geriatrics, and psychiatry at schools of medicine and osteopathy; and

[(ii) dentists who are faculty members at schools of dentistry or at hospital departments of dentistry.

[(B) A one-year or two-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

[(i) physicians who have completed graduate medical education programs in internal medicine, family medicine, psychiatry, neurology, gynecology, or rehabilitation medicine; and

[(ii) dentists who have completed post-doctoral dental education programs.

[(4) For purposes of this subsection—

[(A) the term “graduate medical education program”, means a program sponsored by a school of medicine and school of osteopathy, a hospital, or a public or private institution, which—

[(i) offers postgraduate medical training in the specialties and subspecialties of medicine; and

[(ii) has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Postdoctoral Training; and

[(B) the term “post-doctoral dental education program”, means a program sponsored by a school of dentistry, a hospital, or a public or private institution which—

[(i) offers post-doctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

[(ii) has been accredited by the Commission on Dental Accreditation.

[(f) The Secretary may make grants to and enter into contracts with schools of podiatry to assist in meeting the costs to such schools of providing projects to—

[(1) recruit students who reside in areas having shortages of podiatric manpower, as determined by the Secretary; and

[(2) to operate clinical training programs at public or non-profit entities located in such areas.

[(g) The Secretary may make grants to schools of veterinary medicine for—

[(1) the development of curricula for training in the care of animals used in research, the treatment of animals while being used in research, and the development of alternatives to the use of animals in research;

[(2) the provision of such training; and

[(3) large animal care and research.

[(h) For purposes of this section, there are authorized to be appropriated \$6,000,000 for the fiscal year ending September 30, 1982; \$6,500,000 for the fiscal year ending September 30, 1983; \$7,000,000 for the fiscal year ending September 30, 1984; \$8,000,000 for the fiscal year ending September 30, 1986; \$8,000,000 for the fiscal year ending September 30, 1987; and \$12,000,000 for the fiscal year ending September 30, 1988. Of the amounts appropriated for each fiscal year to carry out this section—

[(1) 25 percent of such amount for the fiscal year ending September 30, 1986; and

[(2) 37.5 percent of such amount for the fiscal year ending September 30, 1987, and 25 percent of such amount for the fiscal year ending September 30, 1988.

shall be available to carry out subsection (d). One-third of the amounts appropriated to carry out this section for fiscal year 1988 shall be available to carry out subsection (e) for such fiscal year.]

SPECIAL PROJECTS

SEC. 788. (a) TWO-YEAR SCHOOLS.—

(1) *IN GENERAL.*—The Secretary may make grants to maintain and improve schools that provide the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools that were in existence on September 30, 1985, may be used for construction and the purchase of equipment.

(2) *ELIGIBILITY.*—To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first or last 2 years of education leading to the degree of doctor of medicine or osteopathy and be accredited by or be operated jointly with a school that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.

(b) FACULTY AND CURRICULUM DEVELOPMENT AND CLINICAL TRAINING SITES.—

(1) GRANTS AND CONTRACTS.—

(A) *IN GENERAL.*—The Secretary may make grants to and enter into contracts with any health professions institution or any other public or private nonprofit entity for the development and implementation of model projects in areas such as faculty and curriculum development, and development of new clinical training sites.

(B) *ALLOCATION OF FUNDS.*—Priority shall be given to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, public health, chiropractic, allied health, and to graduate programs at public and nonprofit private schools in health administration and clinical psychology in the allocation of funds under this subsection. Funds shall be allocated to each profession for award within that profession on the basis of competitive applicants. Investigator-initiated projects should be encouraged. Funding priorities may be determined by the Secretary on consultation with the health professions schools

and the National Advisory Council on the Health Professions Education.

(C) **PEER REVIEW.**—Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

(2) **HEALTH PROFESSIONS INSTITUTIONS AND ALLIED HEALTH INSTITUTIONS.**—

(A) **SET-ASIDE.**—At least 75 percent of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (e) shall be obligated for grants to and contracts with health professions institutions and allied health institutions.

(B) **PEER REVIEW.**—Any application for a grant to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

(C) **PREREQUISITES.**—The Secretary may not approve or disapprove an application for a grant to an institution described in subparagraph (A) unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (B) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

(c) **TRAINING IN PREVENTIVE MEDICINE.**—

(1) **IN GENERAL.**—The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to meet the costs of projects—

(A) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

(B) to provide financial assistance to residency trainees enrolled in such programs.

(2) **ADMINISTRATION.**—

(A) **AMOUNT.**—The amount of any grant under paragraph (1) shall be determined by the Secretary.

(B) **APPLICATION.**—No grant may be made under paragraph (1) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(C) **ELIGIBILITY.**—To be eligible for a grant under paragraph (1), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

(D) **OTHER FUNDS.**—Schools of medicine, osteopathy, and public health may use funds committed by State, local, or county public health officers or matching amounts for Federal grant funds for residency training programs in preventive medicine.

(d) PROGRAMS FOR PHYSICIAN ASSISTANTS—

(1) *IN GENERAL.*—The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathy and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(8)).

(2) *APPLICATIONS.*—No grant or contract may be made under paragraph (1) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that the school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted, in positions for which they have been trained.

(e) *AUTHORIZATION OF APPROPRIATIONS.*—For purposes of carrying out this section, there are authorized to be appropriated \$8,000,000 for each of the fiscal years 1989 through 1991, of which 10 percent of the funds appropriated each fiscal year shall be used to carry out subsection (a). Funds provided to carry out this section shall remain available until expended without regard to any fiscal year limitation.

ADVANCED FINANCIAL DISTRESS ASSISTANCE

SEC. [788B] 788A. (a) The Secretary may enter into a multiyear contract with a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy to provide financial assistance to such school to meet incurred or prospective costs of operation if the Secretary determines that payment of such costs is essential to remove the school from serious and long-standing financial instability. To be eligible for a contract under this section, a school must have previously received financial support under section 788A (as such section was in effect prior to October 1, 1985) or under section 788(b) (as such section was in effect prior to October 1, 1981) for a period of not less than three years.

(b) No school may enter into a contract under this section unless—

(1) the school has submitted to the Secretary a plan providing for the school to achieve financial solvency within six years and has agreed to carry out such plan;

(2) such plan includes securing increased financial support from non-Federal sources;

(3) such plan has been reviewed by a panel selected by the Secretary and consisting of three experts in the field of financial management who are not directly affiliated with the school or the Federal Government; and

(4) the Secretary determines, after consultation with such panel, that such plan has a reasonable likelihood of achieving success.

(c) The panel described in subsection (b)(3) shall be appointed by the Secretary within thirty days after the date of receipt of the school's plan and shall be dissolved no later than forty-five days after the panel's recommendation has been transmitted to the Secretary. Members of the panel shall be entitled to receive the daily

equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they perform duties.

(d) Any contract under this section may be entered into upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree to—

(1) disclose any financial information or data necessary to determine the sources of cause of such school's financial distress;

(2) conduct a comprehensive cost analysis study in cooperation with the Secretary; and

(3) carry out appropriate operational, managerial, and financial reforms including the securing of increased financial support from non-Federal sources.

(e) Pursuant to the approved plan in subsection (b), funds received under this section may be used to pay short-term or long-term debts of such school, meet accreditation requirements, or meet other costs, payment of which is essential to the continued operation of the institution or to permit such institution to achieve financial solvency within the period of the contract.

(f) No school may receive support under this section for more than six years.

(g) An application for a contract under this section shall contain or be supported by assurances that the applicant will, in carrying out its function as a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, expend during the fiscal year for which such contract is sought, an amount of funds from non-Federal sources (other than funds for construction and any contract under this section) at least as great as the average annual amount of funds from non-Federal sources expended by such applicant in the preceding two years.

(h) For the purpose of entering into contracts to carry out this section, there are authorized to be appropriated \$10,000,000 for the fiscal year ending September 30, 1982, and each of the succeeding two fiscal years, \$4,200,000 for the fiscal year ending September 30, 1986, and \$3,800,000 for the fiscal year ending September 30, 1987. Funds provided under this section shall remain available until expended without regard to any fiscal year limitation.

GERIATRIC EDUCATION CENTERS AND GERIATRIC TRAINING

SEC. 789. (a) GERIATRIC EDUCATION CENTERS.—

(1) *IN GENERAL.*—The Secretary may make grants to and enter into contracts with accredited health professions schools, including schools of allied health, referred to in section 701(4) or 701(10) and programs referred to in section 701(8) to assist in meeting the costs of such schools or programs of providing projects to—

(A) improve the training of health professionals in geriatrics;

(B) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

(C) expand and strengthen instruction in methods of such treatment;

(D) support the training and retraining of faculty to provide such instruction;

(E) support continuing education of health professionals and allied health professionals who provide such treatment; and

(F) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

(2) APPROVAL OF APPLICATIONS.—

(A) PEER REVIEW.—Any application for a grant or contract under this subsection shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

(B) PREREQUISITES.—The Secretary may not approve or disapprove an application for a grant or contract under this subsection unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (A) and has consulted with the National Advisory Council on Health Professions Education with respect to such application.

(b) GERIATRIC TRAINING.—

(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine, schools of osteopathy, teaching hospitals, and graduate medical education programs, for the purpose of providing support (including residencies, traineeships, and fellowships) for geriatric training projects to train physicians and dentists who plan to teach geriatric medicine or geriatric dentistry.

(2) REQUIREMENTS.—Each project for which a grant or contract is made under this subsection shall—

(A) be staffed by full-time teaching physicians who have experience or training in geriatric medicine;

(B) be staffed by full-time or part-time teaching dentists who have experience or training in geriatric dentistry;

(C) be based in a graduate medical education program in internal medicine or family medicine, or in a department of geriatrics in existence as of December 1, 1987;

(D) provide participants in the project with exposure to a diversified population of elderly individuals;

(E) provide training in geriatrics and exposure to the physical and mental disabilities of elderly individuals through a variety of service rotations, such as geriatric consultation services, acute care services, dental services, geriatric psychiatry units, day and home care programs, rehabilitation services, extended care facilities, geriatric ambulatory care and comprehensive evaluation units, and community care programs for elderly mentally retarded individuals; and

(F) provide training in geriatrics through one or both of the training options described in subparagraphs (A) and (B) of paragraph (3).

(3) **TRAINING OPTIONS.**—The training options referred to in subparagraph (F) of paragraph (2) shall be as follows:

(A) A 1-year retraining program in geriatrics for—

(i) physicians who are faculty members in departments of internal medicine, family medicine, gynecology, geriatrics, and psychiatry at schools of medicine and osteopathy; and

(ii) dentists who are faculty members at schools of dentistry or at hospital departments of dentistry.

(B) A 1-year or 2-year internal medicine or family medicine fellowship program providing emphasis in geriatrics, which shall be designed to provide training in clinical geriatrics and geriatrics research for—

(i) physicians who have completed graduate medical education programs in internal medicine, family medicine, psychiatry, neurology, gynecology, or rehabilitative medicine; and

(ii) dentists who have completed post-doctoral dental education programs.

(4) **DEFINITIONS.**—For purposes of this subsection:

(A) **GRADUATE MEDICAL EDUCATION PROGRAM.**—The term “graduate medical education program” means a program sponsored by a school of medicine, a school of osteopathy, a hospital, or a public or private institution that—

(i) offers postgraduate medical training in the specialties and subspecialties of medicine; and

(ii) has been accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association through its Committee on Post-doctoral Training.

(B) **POST-DOCTORAL DENTAL EDUCATION PROGRAM.**—The term “post-doctoral dental education program” means a program sponsored by a school of dentistry, a hospital, or a public or private institution that—

(i) offers post-doctoral training in the specialties of dentistry, advanced education in general dentistry, or a dental general practice residency; and

(ii) has been accredited by the Commission on Dental Accreditation.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **GERIATRIC EDUCATION CENTERS.**—For grants and contracts under subsection (a), there are authorized to be appropriated \$12,000,000 for fiscal year 1989, \$15,000,000 for fiscal year 1990, and \$20,000,000 for fiscal year 1991.

(2) **GERIATRIC TRAINING.**—For grants and contracts under subsection (b), there are authorized to be appropriated \$10,000,000 for fiscal year 1989, \$15,000,000 for fiscal year 1990, and \$20,000,000 for fiscal year 1991.

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**PART G—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION
AND MEDICAL HEALTH**

Subpart A—Public Health Personnel

[GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

[SEC. 791. (a) From funds appropriated under subsection (d), the Secretary shall make annual grants to public or nonprofit private educational entities (including schools of social work and excluding accredited schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, and health planning.

[(b) The amount of the grant for any fiscal year under subsection (a) to an educational entity with an application approved under subsection (c) shall be equal to the amount appropriated under subsection (d) for such fiscal year divided by the number of educational entities which have applications for grants for such fiscal year approved under subsection (c).

[(c)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to the Secretary before such time as he shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation, prescribe.

[(2) The Secretary may not approve an application submitted under paragraph (1) unless—

[(A) such application contains assurances satisfactory to the Secretary that in the school year (as defined in regulations of the Secretary) beginning in the fiscal year for which the applicant receives a grant under subsection (a) that—

[(i) at least 25 individuals will complete the graduate educational programs of the entity for which such application is submitted, except that in any case in which the number of minority students enrolled in the graduate educational programs of such entity in such school year will exceed an amount equal to 45 percent of the number of all students that will be enrolled in such programs in such school year, such application shall only be required to contain assurances that at least 20 individuals will complete such programs in such school year; and

[(ii) such entity shall expend or obligate at least \$100,000 in funds from non-Federal sources to conduct such programs; and

[(B) the program for which such application was submitted has been accredited for the training of individuals for health administration, hospital administration, or health planning by a recognized body or bodies approved for such purpose by the Commissioner of Education and meets such other quality standards as the Secretary shall by regulation prescribe.

[(3) The Secretary may waive (in whole or in part) the requirements of clause (ii) of paragraph (2)(A) with respect to any school upon written notification by the appropriate accreditation body or bodies that compliance with the assurances required by such paragraph will prevent such school from meeting the accreditation standards of such body or bodies.

[(4) The Secretary may not approve or disapprove an application submitted under paragraph (1) except after consultation with the National Advisory Council on Health Professions Education.

[(d) There are authorized to be appropriated for payments under grants under this section \$3,250,000 for the fiscal year ending September 30, 1978, \$3,500,000 for the fiscal year ending September 30, 1979, \$3,750,000 for the fiscal year ending September 30, 1980, \$1,500,000 for the fiscal year ending September 30, 1982, \$1,750,000 for the fiscal year ending September 30, 1983, \$2,000,000 for the fiscal year ending September 30, 1984, \$1,500,000 for the fiscal year ending September 30, 1986, \$1,500,000 for the fiscal year ending September 30, 1987, and \$1,500,000 for the fiscal year ending September 30, 1986.]

GRANTS AND TRAINEESHIPS FOR GRADUATE PROGRAMS

SEC. 791. (a) GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.—

(1) *IN GENERAL.*—From funds appropriated under subsection (c)(1), the Secretary shall make annual grants to public or non-profit private educational entities (including schools of social work and excluding accredited schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, and health planning.

(2) APPLICATIONS.—

(A) *IN GENERAL.*—No grant may be made under paragraph (1) unless an application therefor has been submitted to the Secretary before such time as the Secretary shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation, prescribe.

(B) *REQUIREMENTS.*—The Secretary may not approve an application submitted under subparagraph (A) unless—

(i) such application contains assurances satisfactory to the Secretary that in the school year (as defined in regulations of the Secretary) beginning in the fiscal year for which the applicant receives a grant under paragraph (1) that—

(I) at least 25 individuals will complete the graduate educational programs of the entity for which such application is submitted, except that in any case in which the number of minority students enrolled in the graduate educational programs of such entity in such school year will exceed an amount equal to 45 percent of the number of all students that will be enrolled in such programs in such school year, such application shall only be required to contain assurances that at least 20 individuals will complete such programs in such school year; and

(II) such entity shall expend or obligate at least \$100,000 in funds from non-Federal sources to conduct such programs; and

(ii) the program for which such application was submitted has been accredited for the training of individuals for health administration, hospital administration, or health planning by a recognized body or bodies approved for such purpose by the Secretary of Education and meets such other quality standards as the Secretary shall by regulation prescribe.

(C) **WAIVER.**—The Secretary may waive (in whole or in part) the requirements of sub-clause (II) of subparagraph (B)(i) with respect to any school on written notification by the appropriate accreditation body or bodies that compliance with the assurances required by such subparagraph will prevent such school from meeting the accreditation standards of such body or bodies.

(D) **CONSULTATION.**—The Secretary may not approve or disapprove an application submitted under paragraph (1) except after consultation with the National Advisory Council on Health Professions Education.

(b) TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS.—

(1) **IN GENERAL.**—The Secretary may make grants to public or nonprofit private educational entities, including graduate schools of social work but excluding accredited schools of public health, that offer a program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Secretary of Education and that meets such other quality standards as the Secretary by regulation may prescribe, for traineeship to train students enrolled in such a program.

(2) ADMINISTRATION.—

(A) **APPLICATIONS.**—No grant for traineeships may be made under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

(B) **USE.**—Traineeships awarded under grants made under paragraph (1) shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may consider necessary.

(C) **SET-ASIDE.**—In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this subsection shall be awarded to individuals who—

(i) have previously received a baccalaureate degree; or

(ii) have 3 years of work experience in health services.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.—For payments under grants under subsection (a), there are authorized to be appropriated \$1,500,000 for each of the fiscal years 1989 through 1991.

(2) TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS.—For payments under grants under subsection (b), there are authorized to be appropriated \$500,000 for each of the fiscal years 1989 through 1991.

TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS

SEC. 791A. [Repealed.]

PUBLIC HEALTH TRAINEESHIPS

SEC. 792. [Repealed.]

TRAINING IN PREVENTIVE MEDICINE

SEC. 793. [Repealed.]

STATISTICS AND ANNUAL REPORT

SEC. 794. (a)–(b) * * *

(c) The Secretary shall submit biennially to the Committee on [Interstate and Foreign] *Energy and Commerce* of the House of Representatives and to the Committee on Labor and [Public Welfare] *Human Resources* of the Senate a report on—

(1) the statistics and other information developed pursuant to subsection (a), and

(2) the activities conducted under this subpart, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines are needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to such Committees, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to such Committees its comments respecting such report. The first report under this subsection shall be submitted not later than October 1, 1979.

* * * * *

PROJECT GRANTS AND CONTRACTS

SEC. 796. (a) The Secretary shall make grants to and enter into contacts with eligible entities to assist them in meeting the costs of planning, developing, [demonstrating] *establishing*, operating, and evaluating projects relating to:

[(1) Establishment of regional or State systems for the coordination and management of education and training at various levels for allied health personnel and nurses within and among educational institutions and their clinical affiliates for

the purpose of assuring that the needs of such region or State for allied health personnel and nurses are substantially met.

[(2) Establishment of new roles and functions for allied health personnel and methods for increasing the efficiency of health manpower through more effective utilization of allied health personnel in various practice settings.

[(3) Establishment of new or improved methods of credentialing allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience, developed in coordination with the Secretary's program under section 1123 of the Social Security Act.

[(4) Establishment or improvement of programs of recruitment, training, and retraining of allied health personnel.

[(5) Establishment of meaningful career ladders and programs of advancement for practicing allied health personnel.

[(6) Establishment of continuing education programs for practicing allied health personnel.]

(1) *Improving and strengthening the effectiveness of allied health administration, program directors, faculty, and clinical faculty.*

(2) *Improving and expanding program enrollments in those professions in greatest demand and whose services most impact the elderly.*

(3) *Interdisciplinary training programs that promote the effectiveness of allied health practitioners in geriatric assessment and the rehabilitation of the elderly.*

(4) *Demonstration centers to emphasize innovative models to link allied health profession's clinical practice, education, and research.*

(5) *Adding and strengthening curriculum units in allied health programs to include knowledge and practice concerning prevention and health promotion, geriatrics, long-term care, home health and hospice care, and ethics.*

(6) *The recruitment of individuals into allied health professions, including projects for—*

(A) *the identification and recruitment of highly qualified individuals, including the provision of educational and work experiences for recruits at the secondary and collegiate levels;*

(B) *the identification and recruitment of minority and disadvantaged students, including the provisions of remedial and tutorial services prior and subsequent to admission, the provision of work-study programs for secondary students, and recruitment activities directed toward primary school students; and*

(C) *the coordination and improvement of recruitment efforts among official and voluntary agencies and institutions, including official departments of education, at the city, county, and State, or regional level.*

(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such

form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(2) The amount of any grant under subsection (a) shall be determined by the Secretary.

[(c) For purposes of subsection (a), the term "eligible entities" means entities which are—

[(1) schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe;

[(2) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of States or both;

[(3) entities which have a working arrangement (meeting such requirements as the Secretary may by regulation prescribe) with an entity described in paragraph (1); or

[(4) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a).]

(c) For purposes of subsection (a), the term "eligible entities" means entities which are—

(1) schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe; or

(2) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a).

[(d)(1) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated \$22,000,000 for the fiscal year ending September 30, 1978; \$24,000,000 for the fiscal year ending September 30, 1979; and \$26,000,000 for the fiscal year ending September 30, 1980.

[(2) In each fiscal year for which funds are authorized to be appropriated under this subsection, not less than 50 percent of the funds appropriated shall be reserved for award to training centers for allied health professions.]

(d)(1) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated \$4,800,000 for fiscal year 1989; and \$5,000,000 for each of the fiscal years 1990 and 1991.

(2) In each fiscal year for which funds are authorized to be appropriated under this subsection, all grants made with such funds shall preferentially be awarded to training centers for the allied health professions.

ALLIED HEALTH STUDENT TRAINERSHIPS

SEC. 796A. (a) GRANTS.—The Secretary may make grants to, and enter into contracts with, public or nonprofit private schools of allied health or other educational entities offering an allied health program to assist students in meeting the costs of entry level education.

(b) *USE OF GRANTS.*—Grants awarded under subsection (a) shall be used for tuition, fees, and such stipends and allowances for trainees as the Secretary may consider necessary.

(c) *ELDERLY POPULATION.*—In making grants under this section, the Secretary shall ensure that 80 percent of the funds available for such grants shall be used to enable individuals to participate in allied health programs which prepare personnel to meet the rehabilitation needs of the elderly population.

(d) *TAXATION.*—Notwithstanding any other provision of law, any payment to, or on behalf of, a participating student of tuition under this section shall be exempt from taxation.

(e) *AUTHORIZATION OF APPROPRIATIONS.*—To carry out the purposes of this section, there are authorized to be appropriated \$9,000,000 for fiscal year 1989, and \$10,000,000 for each of the fiscal years 1990 and 1991.

TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

[**SEC. 797.** (a) The Secretary may make grants to public and non-profit private entities for traineeships provided by such entities for the advanced training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

[(b)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

[(2) Payments under such grants shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees.

[(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated \$4,500,000 for the fiscal year ending September 30, 1978; \$5,000,000 for the fiscal year ending September 30, 1979; and \$5,500,000 for the fiscal year ending September 30, 1980.]

SEC. 797. (a) *GRANTS.*—The Secretary may make grants to and enter into contracts with public or nonprofit private educational entities to meet the costs of projects designed to—

(1) plan, develop, establish, expand, and operate doctoral programs for the advanced speciality training of allied health professionals who plan to teach and conduct research in an allied health training program; and

(2) provide financial assistance in the form of traineeships or fellowships to doctoral students who are participants in any such program and who plan to teach and conduct research in an allied health discipline or to post doctoral students who are continuing specialized study and research in an allied health discipline.

(b) *LIMITATION.*—The Secretary shall limit grants and contracts made or entered into under subsection (a) to those allied health fields or specialties as the Secretary shall, from time to time, determine to have—

(1) the most significant national or regional shortages of practitioners;

(2) insufficient numbers of qualified faculty in entry level or advanced educational programs; and

(3) a significant role in the care and rehabilitation of patients and clients who are elderly or disabled.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated \$5,000,000 for each of the fiscal years 1989 and 1990, and \$6,000,000 for fiscal year 1991.

(d) **AWARDING OF GRANTS.**—In each fiscal year for which funds are authorized to be appropriated under this section, all grants made with such funds shall preferentially be awarded to training centers for the allied health professions.

(e) **AVAILABILITY OF FUNDS.**—Funds appropriated under this section for any fiscal year shall remain available until expended or through fiscal year 1991.

[EDUCATIONAL ASSISTANCE TO DISADVANTAGED INDIVIDUALS IN ALLIED HEALTH TRAINING]

[SEC. 798. (a)(1)] For the purpose of assisting individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged (including individuals who are veterans of the Armed Forces with military training or experience in the health field) to undertake education to enter the allied health professions, the Secretary may make grants to and enter into contracts with schools of allied health, State and local educational agencies, and other public or private nonprofit entities to assist in meeting the costs described in paragraph (2).

[(2)] A grant or contract under paragraph (1) may be used by the school, agency, or entity to meet the costs of—

[(A)] identifying, recruiting, and selecting such disadvantaged individuals who have a potential for education or training in the allied health professions;

[(B)] facilitating the entry of such individuals into such a school, agency, or entity;

[(C)] providing counseling or other services designed to assist such individuals to complete successfully their education at such school, agency, or entity;

[(D)] providing, for a period prior to the entry of such individuals into the regular course of education of such a school, agency, or entity, preliminary education designed to assist them to complete successfully such regular course of education at such a school, agency, or entity, or referring such individuals to institutions providing such preliminary education; and

[(E)] publicizing existing sources of financial aid available to persons enrolled in the education program of such a school, agency, or entity or who are undertaking training necessary to qualify them to enroll in such a program.

[(b)(1)] No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such

form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

[(2) The amount of any grant under subsection (a) shall be determined by the Secretary.

[(e) For payments under grants and contracts under subsection (a) there are authorized to be appropriated \$1,000,000 for fiscal year ending September 30, 1978, \$1,000,000 for fiscal year ending September 30, 1979, and \$1,000,000 for fiscal year ending September 30, 1980.]

ALLIED HEALTH PROFESSIONS DATA

SEC. 798. (a) ESTABLISHMENT OF REPORTING SYSTEM.—The Secretary may make grants, or enter into contracts and cooperative agreements with, and provide technical assistance to, any nonprofit entity in order to establish a uniform allied health professions data reporting system to collect, compile, and analyze data on the allied health professions personnel.

(b) **DATA.**—Data shall include the most current information concerning the supply, distribution, and utilization of allied health practitioners and faculty, including physical therapy, occupational therapy, respiratory therapy, speech pathology, and audiology, medical records, dietetics, medical technology, and radiological technology.

(c) **ANNUAL REPORTS.**—

(1) **REPORT ON STATUS OF SYSTEM AND ACTIVITIES.**—No later than 1 year after the date of enactment of this section, and each year thereafter, the Secretary shall prepare and submit, to the President, the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report of the status and development of the uniform allied health profession data reporting system and of the activities carried out under this section.

(2) **REPORT CONTAINING ANALYSIS OF DATA.**—Not later than 6 months after the date of enactment of this Act, and each year thereafter, the Secretary shall also prepare and submit to the President, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report that shall include a description and analysis of data collected pursuant to this section.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out the purposes of this section there are authorized to be appropriated \$1,200,000 for fiscal year 1989, \$2,000,000 for fiscal year 1990, and \$3,000,000 for fiscal year 1991. Funds appropriated for any fiscal year shall remain available until expended.

COUNCIL ON ALLIED HEALTH EDUCATION

SEC. 798A. (a) ESTABLISHMENT.—There is established the Council on Allied Health Education (hereinafter in this section referred to as the "Council"). The Council shall—

(1) meet twice annually to provide advice and make recommendations to the Secretary and to the Committee on Labor and Human Resources and Finance of the Senate and the Com-

mittee on Energy and Commerce and Ways and Means of the House of Representatives, with respect to—

(A) the supply and distribution of allied health personnel in the United States;

(B) current and future shortages or excess of allied health personnel;

(C) appropriate Federal policies with respect to the matters specified in subparagraphs (A) and (B), including policies concerning changes in the financing of undergraduate and graduate allied health programs and changes in the types of allied health education;

(D) appropriate efforts to be carried out by health care facilities, schools of allied health, and professional associations with respect to the matters specified in subparagraphs (A), (B), (C), including efforts for changes in undergraduate and graduate allied health education programs;

(E) deficiencies and needs for improvements in existing data bases concerning the supply and distribution of training programs for allied health in the United States and steps that should be taken to eliminate those deficiencies; and

(F) problems, and recommendations for their resolution, relating to the roles and functions of professionals within the allied health fields and other fields such as medicine and dentistry; and

(2) encourage entities providing allied health education to conduct activities to voluntarily achieve the recommendations of the Council under paragraph (1)(D).

(b) COMPOSITION.—The Council shall be composed of—

(1) the Assistant Secretary for Health or the designee of the Assistant Secretary;

(2) the Administrator of the Health Care Financing Administration or the designee of the Administrator;

(3) the Chief Medical Director of the Veterans' Administration;

(4) seven members appointed by the Secretary that include representatives of physical therapy, occupational therapy, respiratory therapy, dietetics, clinical laboratory personnel, dental hygiene, and medical records administration; and

(5) five members of the Council appointed by the Secretary that include representatives of schools of allied health, health care facility employers of allied health personnel, health insurers, and professional organizations representing the allied health professions.

(c) APPOINTMENT.—

(1) TERMS.—Members of the Council appointed under paragraphs (4) and (5) of subsection (b) shall be appointed for a term of 4 years, or until a replacement is appointed, except that the term of office of three of the members first appointed shall expire, as designated by the Secretary at the time of appointment, at the end of 4 years.

(2) TIME FOR APPOINTMENT.—The Secretary shall appoint the first members to the Council under paragraphs (4), (5), and (6)

of subsection (b) within 60 days after the date of enactment of this section.

(d) **CHAIRMAN.**—The Council shall elect one of its members as Chairman of the Council.

(e) **QUORUM.**—Nine members of the Council shall constitute a quorum, but a lesser number may hold hearings.

(f) **VACANCIES.**—Any vacancy in the Council shall not affect its power to function.

(g) **COMPENSATION.**—Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate not greater than the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(h) **ADMINISTRATION.**—

(1) **IN GENERAL.**—To carry out this section, the Council may—

(A) collect such information, hold such hearings, and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may consider available; and

(B) request the cooperation and assistance of Federal departments, agencies, and instrumentalities, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.

(2) **COORDINATION.**—The Council shall coordinate activities carried out under this section with the activities of the National Advisory Council on Health Professions Education under section 702 and with the activities of the Secretary under section 708. The Secretary shall, in cooperation with the Council and pursuant to the recommendations of the Council, take such steps as are practicable to eliminate deficiencies in the data base established under section 708 and shall make available in its reports such comprehensive data sets as are developed pursuant to this section.

(i) **REPORTS.**—In the reports required under subsection (a), the Council shall specify its activities during the period for which the report is made.

PART H—GRADUATE MEDICAL EDUCATION

COUNCIL ON GRADUATE MEDICAL EDUCATION

SEC. 799. (a)–(j) * * *

(k) To enable the Council to carry out this section, there are authorized to be appropriated \$2,000,000 for each of the fiscal years 1989 through 1991.

*PART I—MISCELLANEOUS**RESTRICTION ON APPROPRIATIONS*

SEC. 799A. From amounts appropriated under this title, at least \$13,000,000 of such amounts shall be used in each fiscal year to provide scholarships for full-time students of exceptional financial need under section 758.

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